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ABSTRACT

This manual was prepared to assist postsecondary education institutions in meeting their responsibilities in the administration of federal student aid programs: the Basic Educational Grant Program, College Work-Study Program, National Direct Student Loan Program, and Supplemental Educational Opportunity Grants Program. Areas are identified in which administrative difficulties most commonly occur, and methods and procedures to insure sound, proper, efficient management of the programs are discussed. The areas covered are: the need for placement of financial aid offices at an administrative level reflecting their importance in the institution; adequacy of staffing; accurate and adequate recordkeeping for timely reporting; intrainstitutional communication; the need for procedural outlines and clear delegation of responsibility; the need for each staff member to have a thorough understanding of the aid programs and the lines of responsibility within the office; and the need for efficient loan collection. Numerous charts, tables, and forms are included as samples, with directions for their use. Specific directions are given for different aid programs. Appended are an agreement form covering institutional participation in the federal programs, the federal terms of agreement for computation and disbursement of Basic Educational Opportunity Grants, and excerpts from the Department of Health, Education, and Welfare Audit Guide. (MSE)

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ACCOUNTING, RECORDKEEPING, AND REPORTING BY COLLEGES AND UNIVERSITIES FOR FEDERALLY FUNDED STUDENT FINANCIAL AID PROGRAMS (THE "BLUE BOOK")

Basic Educational Opportunity Grant Program

College Work-Study Program

National Direct Student Loan Program

Supplemental Educational Opportunity Grants Program

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
NATIONAL INSTITUTE OF EDUCATION

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DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
BUREAU OF STUDENT FINANCIAL ASSISTANCE
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PREFACE

Through the Basic Educational Opportunity Grant (BEOG), the College Work-Study (CWS), the National Direct Student Loan (NDSL) and the Supplemental Educational Opportunity Grants (SEOG) programs, the Federal government has become a major funding component of the student financial aid programs on many college campuses throughout the nation. These programs are designed to aid those students who require this assistance (as determined by a recognized need analysis system) in order to pursue a postsecondary education; thus, many students from low income families have been given the opportunity to continue their education beyond high school. Under these programs, both the students and the participating institutions assume various responsibilities. The institutional responsibilities to the Federal government and to the students are contained in the Terms of Agreement, a document which is signed by or for the Commissioner of Education and the President of the institution prior to its participation in the CWS, SEOG, and NDSL Programs (See Appendix A, p. 63), and in the BEOG Agreement (See Appendix B, p. 69).

One responsibility assumed by the institution is the maintenance of the level of its own student assistance programs. The Federal government *supplements* the institution's commitment to student financial assistance. Under the National Direct Student Loan and the Basic Educational Opportunity Grant programs there is no maintenance of level requirement as such; however, in the case of NDSL, the institution is required to provide 10% of the total loan funds, thus committing institutional funds to this program for its entire period of existence in the institution.

A second basic responsibility assumed by an institution under these programs is that of maintaining the fiscal integrity of the funds and submitting periodic reports to the Federal government. These reports are used to develop information to determine whether the funds are being properly utilized in fulfilling the intents of Congress and the program guidelines.

In a rather unique sense, the participating institution has a major responsibllity to itself and to its students to develop and maintain good records and control over the student financial aid programs. First, significant amounts of the institution's own funds are involved. Secondly, since these funds constitute a major part of the aid available to the students at many schools, any action which would tend to reduce the funds available would be a substantial disservice to the students who most need the assistance.

This *Manual* has been prepared with the intention of assisting institutions in meeting their responsibilities. Some institutions have experienced difficulties in the administration of these programs, and, in general, these institutions evidence weakness in several areas. This *Manual* identifies the areas in which these difficulties most frequently occur and discusses various methods and procedures which may be utilized to insure sound, proper, efficient management of these programs. These areas are as follows:

1) Too often the administration of the institution does not reflect the relative importance of the financial aid office in the budgetary and philosophical aspects of the institution. With the tremendous growth in student financial assistance and consequently the increase in the amount of funds administered through the student financial aid office, this office should be given a level within the administrative structure commensurate with its expanded importance and responsibilities.

2) In addition to being placed in an appropriately visible spot within the structure, the student financial aid office should be adequately staffed both in quality and in quantity. The Education Amendments of 1976 require that (unless a waiver is specifically granted by the Commissioner of Education) the institution appoint a full-time person to handle the administration of these programs. Keeping track of everything related to a complete financial aid program requires full-time effort. The schools cannot continue to overburden the person in charge of the financial aid programs, nor can they give these jobs to a "short-timer" at the institution or to someone who will quickly be moved up to a position of "greater importance" if he or she works out well in the aid administrator's office. This job is important, is full time, and requires a capable person to perform it.

3) In any federally funded program there is a need to keep up-to-date records so that timely reports can be issued. Many institutions seem to reflect the idea that the institution's obligation is only to the students who are participating in the program. There is no question that the students are, and should be, the major emphasis of the program. However, the school does have a definite obligation to the government as well. This obligation extends beyond the filing of an application for Federal funds. There is an obligation to the students to obtain these funds, but there is also an obligation, under specific contract with the Federal government, to report on how these funds are expended. This is an accounting, reporting, and administrative obligation.

4) There appears to be a failure in many institutions to maintain adequate records. Sound recordkeeping techniques will result in greater ease of filing applications and periodic reports, and will provide the required documentation for the various programs. Further, all official records must be retained by institutions for a period of not *less* than five years after the date of submission of the required annual report (or in the case of NDSL for not less than five years from the date on which the entire amount of the loan has been repaid, cancelled, or assigned in accordance with regulations) or until the resolution of all questions raised by the required audit, whichever is longer.

5) Many institutions have failed to maintain a timely reporting system. Partly, this failure seems to be related to the lack of firm documentation in the school and partly to the changing formats of the reports required by the Office of Education. Institutions should establish efficient reporting systems which will enable the responsible officials to meet the Office of Education reporting requirements on a timely basis.

6) Communication appears to be a problem in some institutions. The Student Financial Aid Administrator, the Business Manager, and the office of the authorizing official (President, Chancellor) must be in constant contact regarding the accuracy of transactions entered in the accounting system and the records. Regular conferences between the parties responsible should be held.

7) Many institutions have failed to prepare procedural outlines for the administration of the programs and to specify lines of responsibility. This means that if a person is new in a job, he or she is unable to learn the job quickly because no one has taken the time to record a short summary of "the way we do it here." Errors are made because the procedures are not recorded, and slight variations occur in the handling of records each time the need arises. Time is wasted and proper functioning of the program is hampered as the new employee tries to decide who is supposed to perform what function for each aspect of the program.

8) In some institutions, individuals who have responsibility for one segment of student financial aid seem to lack understanding of the entire aid program. Each person must know the responsibilities of other persons involved in the program so that all can work together to develop a more effective and orderly program.

9) The delinquency rate on National Direct Student Loan repayments has reached an alarming level at many institutions. For some reason, students are failing to repay their loans after they leave school, and some schools are failing to impress upon their loan recipients the importance of repayment. There is a dual obligation on the part of the school and the student to see that timely repayments are received so that the next needy student can benefit from the NDSL program.

The illustrations included in the *Manual* are in the basic format of general journal entries and handwritten records. This is for the purpose of simplicity of illustration. The essence of any system is storage and retrieval of pertinent information. Therefore, the concepts included here are the basic types of information that should be stored and retrieved; they can be adapted to any system, including automatic and electronic data processing.

An excellent program of student financial aid at an institution is a cooperative effort among all the persons responsible for substantial segments of the program at the institution. For this reason, the material has not been divided into those items that are related to the jobs of the Student Financial Aid Administrator, the Business Manager, and the principal Fiscal Officer; it is presented as a unified package that concerns each of the above persons to one degree or another.

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OPERATION OF PROGRAMS – AN OVERVIEW

Exhibit I presents in brief summary form some of the concepts that have seemed to be troublesome to the individuals working with these programs at many institutions. A review of these points will provide an introduction to this *Manual.*

Exhibit II presents a flow chart for the agreement-funding-reporting cycle required in the administration of the BEOG program.

Exhibit III presents a similar flow chart for the CWS, NDSL, and SEOG programs.

Exhibit IV presents a suggested organization chart for financial assistance program administration in participating institutions.

DUE DILIGENCE

In its most rudimentary form the concept of "due diligence" means a thoroughgoing, systematic commitment to sound practices and policies in all phases of the operation of the institution's student financial aid program. Thus, when an institution enters into an agreement with the Office of Education to participate in one or more of these programs, it undertakes the responsibility to commit its fiscal and human resources to the operation of a sound program.

The basic purpose of this *Manual* is to assist the institutions in developing practices and policies for the operation of their student financial aid program which will constitute due diligence for the program. For example, the assignment of qualified personnel who are thoroughly familiar with the operation of the program, the maintenance of sound accounting records, the development of procedures manuals, *etc.*, are all necessary for the accomplishment of due diligence.

Exhibit I

COMPARISON OF PROGRAMS

	ITEM	BEOG	CWS	NDSL	SEOG	
1.	Application Form	None-Institutional authorizing official signs agreement to participate in program	OE-1036	OE-1036	OE-1036	1.
2.	Grant Period	July 1 - June 30	July 1 - June 30	July 1 - June 30	July 1 - June 30	2.
3.	Disbursing Agent	DFAFS (DHEW Federal Assistance Financing System)	DFAFS	DFAFS	DFAFS	3.
4.	Funds Obtained by (after award letter)	Monthly cash request or letter of credit	Monthly cash request or letter of credit	Monthly cash request or letter of credit	Monthly cash request or letter of credit	4.
5.	Reports Required-Program (also a summary report OE 1152-1)	OE Form 255-3 (10/31, 2/28, 6/30)	OE-1152-4 through 6/30	OE1152-2 through 6/30 on a cumulative basis	OE1152-3 through 6/30	5.
	Reports Required-Cash Receipts and Expenditures	Recipient Report of Expenditures and Cash Reconciliation Statement submitted to DFAFS on all funds disbursed by DFAFS including the BEOG, CWS, NDSL and SEOG programs (cash report)				
6.	Disposition of unexpended Balance of Awards	Reverts to U.S. Treasury	Reverts to U.S. Treasury	Reverts to the U.S. Treasury if not claimed	Reverts to U.S. Treasury	6.
7.	Disposition of Expenditure in Excess of Awards	Must be repaid to fund by institution	Must be repaid to fund by institution	Not applicable	Must be repaid to fund by institution	7.
8.	Matching Requirement	Not applicable	20%, except in special cases	1/9 of Federal capital contribution	50%, but can use CWS and NDSL and other financial aid	8.
9.	Limitations on Individual Student Awards	$1,400, subject to limitations imposed by appropriations, and not to exceed 1/2 of cost of attendance (academic year 1978-79, authorized at $1,800)	Not more than an average of 20 hours per week when school is in session, except in special cases, and a maximum of 40 hours when school is not in session.	$2,500 for first two years; $5,000 maximum for undergraduates. $10,000 maximum for graduates, reduced by amount received during undergraduate years.	$200 to $1,500, not to exceed 1/2 of student need	9.
10.	Maintenance of effort of Institution Expenditure from Own Funds	Not applicable	Must continue to spend from own funds an amount equal to average of 3 years prior to effective date of the agreement.	Not applicable	Must continue to spend from own funds an amount equal to average of 3 years prior to effective date of the agreement.	10.
11.	Expenditures Available for "Maintenance of Effort"	Not applicable	Institutional expenditures for all students' financial aid including matching money for programs, waiver of tuition, etc.	Not applicable	Institutional expenditures for all students' financial aid including matching money for programs, waiver of tuition, etc.	11.
12.	Approved Level	Approved level of expenditure established by authorization letter from OE	Approved level of expenditure established by award letter from OE	Represents maximum that can be loaned to students during year regardless of cash available.	Approved level of expenditure established by award letter from OE	12.
13.	Administrative Expense Allowed to Institution	None (Information Service Fee of $10 per recipient per year approved by Education Amendments of 1976)*	4% of total compensation paid to students (including matching share) during a given grant period.**	4% of the total principal amount of loans made during a given grant period.**	4% of total expenditure for grants during a given grant period.**	13.

* Subject to annual appropriation by Congress.
** Maximum for any grant period not to exceed $325,000 for all three programs combined.

Exhibit II

Flow Chart

BEOG PROGRAM

—Agreement — funding — reporting —

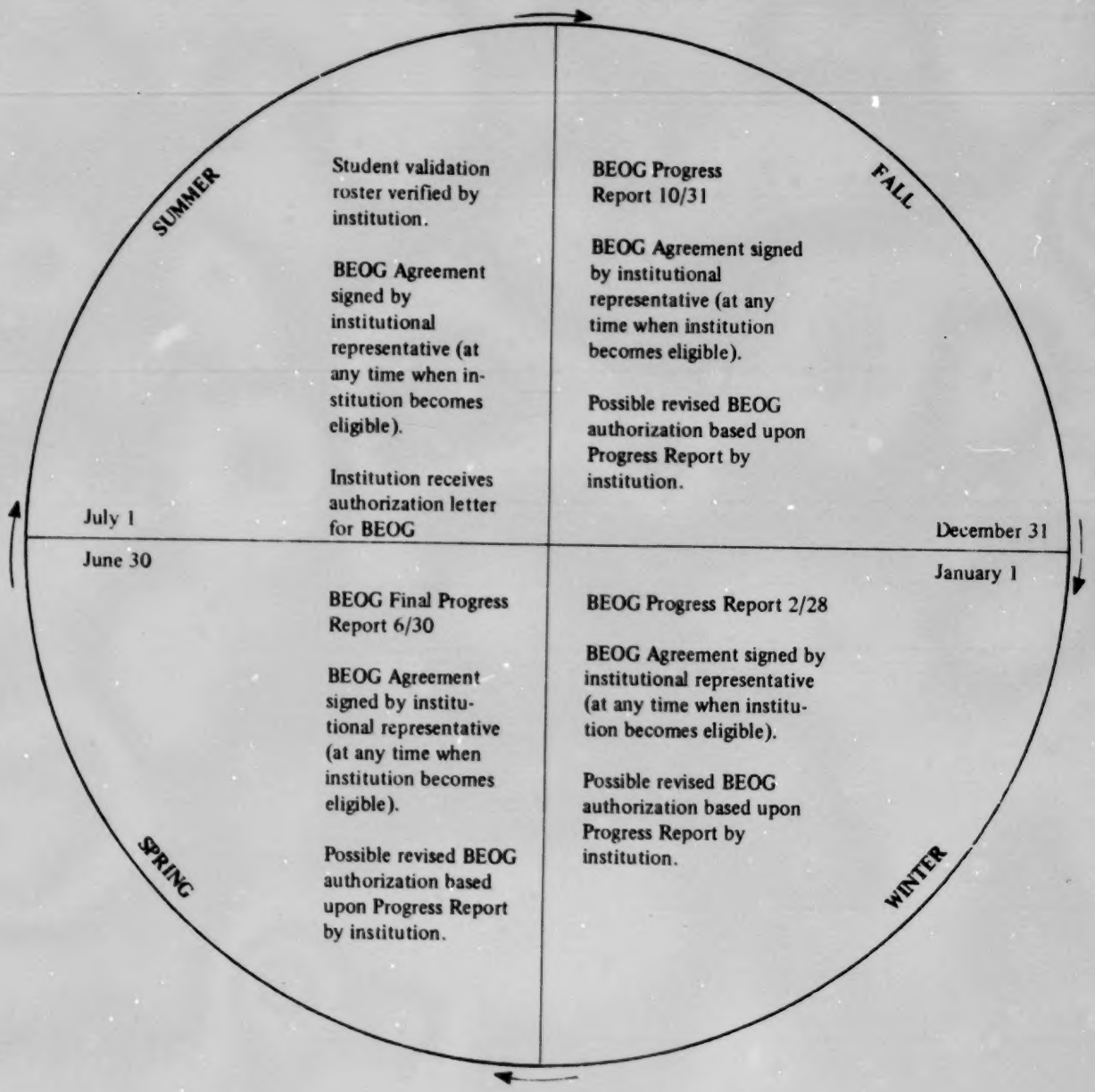
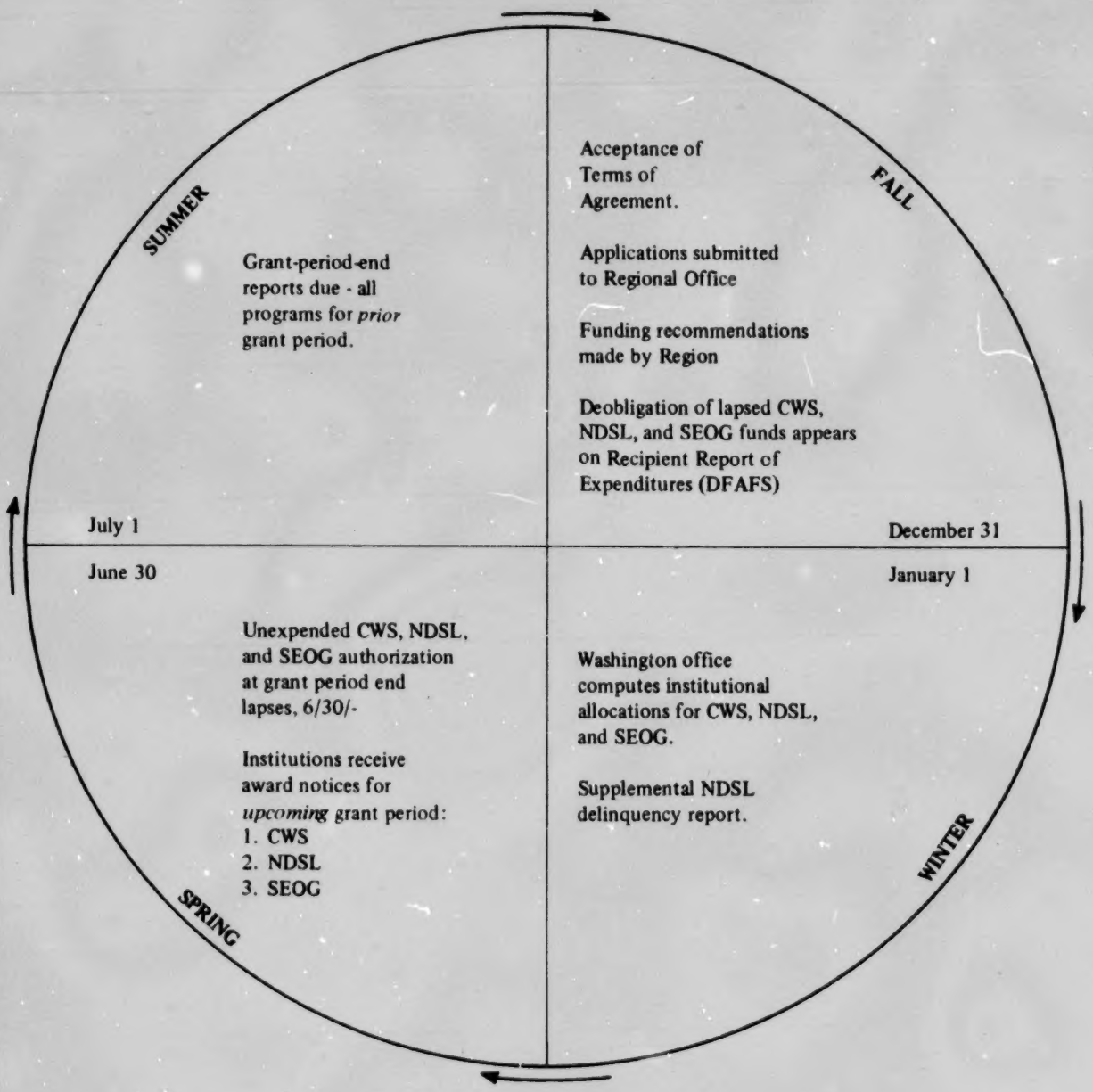

SUMMER
Student validation roster verified by institution.
BEOG Agreement signed by institutional representative (at any time when institution becomes eligible).
Institution receives authorization letter for BEOG
July 1
FALL
BEOG Progress Report 10/31
BEOG Agreement signed by institutional representative (at any time when institution becomes eligible).
Possible revised BEOG authorization based upon Progress Report by institution.
December 31
January 1
SPRING
BEOG Final Progress Report 6/30
BEOG Agreement signed by institutional representative (at any time when institution becomes eligible).
Possible revised BEOG authorization based upon Progress Report by institution.
June 30
WINTER
BEOG Progress Report 2/28
BEOG Agreement signed by institutional representative (at any time when institution becomes eligible).
Possible revised BEOG authorization based upon Progress Report by institution.

Exhibit III

Flow Chart

CWS, NDSL, and SEOG PROGRAMS

—Application — funding — reporting —

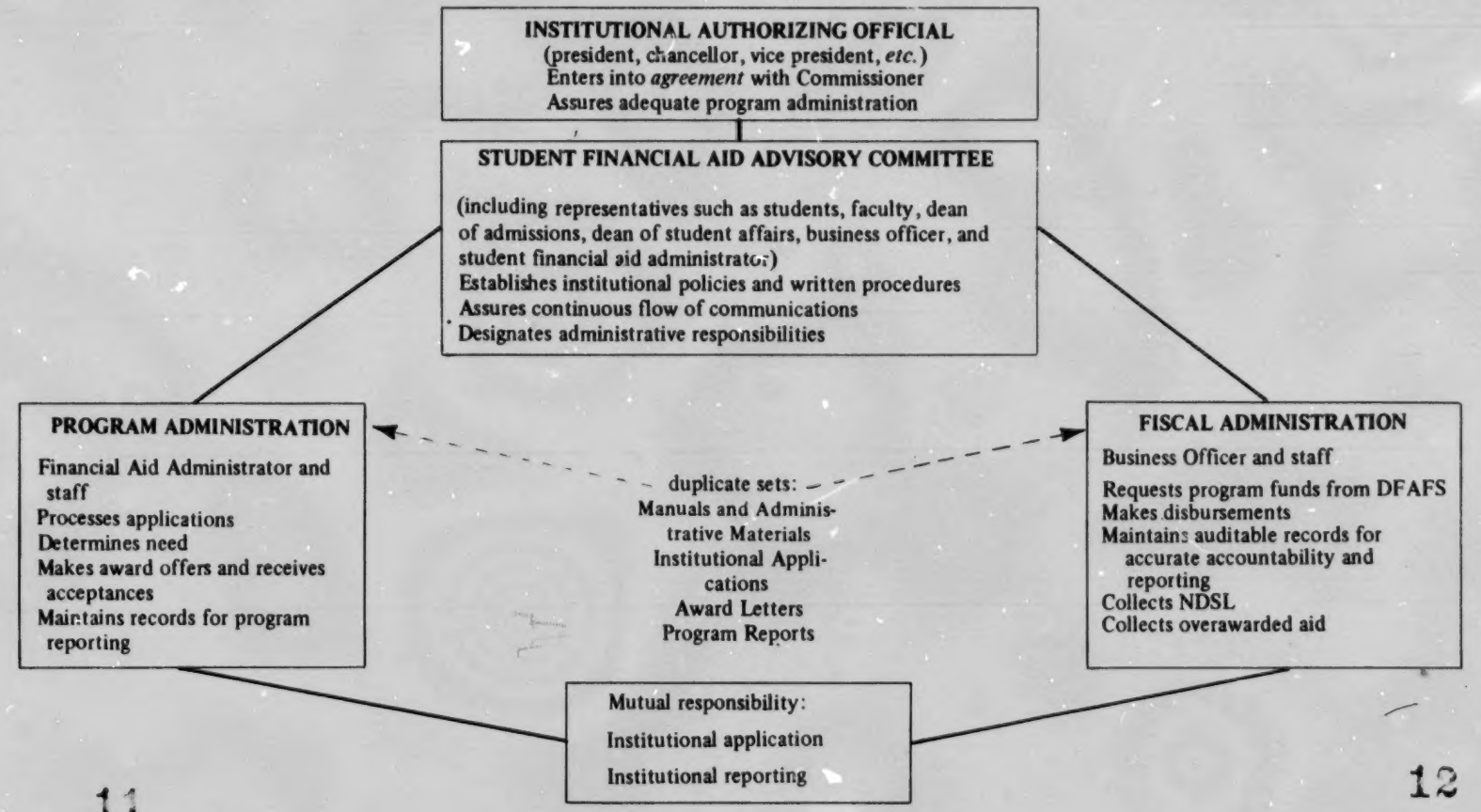

SUMMER
Grant-period-end reports due - all programs for *prior* grant period.
July 1
FALL
Acceptance of Terms of Agreement.
Applications submitted to Regional Office
Funding recommendations made by Region
Deobligation of lapsed CWS, NDSL, and SEOG funds appears on Recipient Report of Expenditures (DFAFS)
December 31
June 30
SPRING
Unexpended CWS, NDSL, and SEOG authorization at grant period end lapses, 6/30/-
Institutions receive award notices for *upcoming* grant period:
1. CWS
2. NDSL
3. SEOG
January 1
WINTER
Washington office computes institutional allocations for CWS, NDSL, and SEOG.
Supplemental NDSL delinquency report.

NOTE: Audits are required of above programs at least every two years.

Exhibit IV

Suggested Organization Chart

FEDERAL STUDENT FINANCIAL ASSISTANCE PROGRAM ADMINISTRATION IN POSTSECONDARY INSTITUTIONS


INSTITUTIONAL AUTHORIZING OFFICIAL
(president, chancellor, vice president, *etc.*)
Enters into *agreement* with Commissioner
Assures adequate program administration
STUDENT FINANCIAL AID ADVISORY COMMITTEE
(including representatives such as students, faculty, dean of admissions, dean of student affairs, business officer, and student financial aid administrator)
Establishes institutional policies and written procedures
Assures continuous flow of communications
Designates administrative responsibilities
PROGRAM ADMINISTRATION
Financial Aid Administrator and staff
Processes applications
Determines need
Makes award offers and receives acceptances
Maintains records for program reporting
duplicate sets:
Manuals and Administrative Materials
Institutional Applications
Award Letters
Program Reports
FISCAL ADMINISTRATION
Business Officer and staff
Requests program funds from DFAFS
Makes disbursements
Maintains auditable records for accurate accountability and reporting
Collects NDSL
Collects overawarded aid
Mutual responsibility:
Institutional application
Institutional reporting

Due Diligence in Collection of NDSL Loans

Added to the general concept of due diligence in the overall operation of the programs, the NDSL program specifies steps necessary to qualify as due diligence in the collection of loans.

In exercising due diligence, keep in mind the following.

1. Due diligence begins at the time the loan application is received. As the student signs the note, he should be aware that he is executing a legal document in which he recognizes his indebtedness to the institution. This debt must be repaid, along with interest, within a specified period of time. The student should also be told of the possibility, under specific circumstances, of having his debt to the institution partially or fully cancelled.

2. Conduct an exit interview with each borrower prior to his leaving the institution and provide the borrower with a copy of his repayment schedule. (Note here that the repayment schedule becomes completely outdated as soon as the borrower becomes delinquent in repayment – this should be emphasized to the borrower at the time of his receiving the schedule.)

3. Maintain contact with the borrower after he leaves school in order to facilitate billing at the time the first installment becomes due and payable. (Records and files to be discussed in this *Manual* will be most helpful in satisfying the institution's obligations under this requirement.)

4. Establish and maintain regular billing and follow-up procedures during the period in which the outstanding balance remains unpaid. (The institution may wish to use its own business office staff to engage in these activities, or it may employ an outside *billing* agency to do the work.)

5. Establish such further collection procedures as the institution may consider appropriate to effect prompt and regular payments.

Those persons in most direct contact with the student who is receiving NDSL funds should keep in mind that collection of these loans begins at the date the loan is approved and the note is executed. It must be impressed upon the student at this point in time that he is receiving a *loan* that *must be repaid*, rather than a grant or scholarship.

When the student terminates his enrollment at the institution, an exit interview must be held. At this time he should *again* be reminded of his indebtedness under the NDSL program and the requirement that this debt be repaid. The procedures recommended by the NDSL program should be followed during the exit interview. The importance of an exit interview cannot be emphasized too strongly because the care with which it is conducted will determine in large measure the institution's success in obtaining repayments.

Administrative personnel at an institution must be helped to realize that the school, also, has an indebtedness under the NDSL program. Funds provided by the Federal government are not *grants* similar to BEOG, CWS, or SEOG funds, but instead are amounts that will eventually be repaid by the institution to the Federal government. This requirement acts as an extra incentive, beyond the desire to help other needy students, for collection from the borrower of these funds.

For further information, refer to *Student Loan Collection Procedures* published by NACUBO.

Due Diligence in Verification of Basic Educational Opportunity Grant Applicant-Reported Data

The effectiveness of the Basic Grant program depends to a considerable extent on the accuracy of the information utilized in making, disbursing, and accounting for awards.

In exercising due diligence regarding verification of student-reported data, the responsible official at the institution is required to:

1. Verify information reported on the Student Eligibility Report where there is comparable evidence against which the Student Eligibility Report may be checked. All financial documents should be reviewed to assure that a suspected discrepancy is not due to variations in reporting periods.

2. Notify the student of any apparent discrepancy and request documentation or correction. The student should be provided an opportunity to explain and correct erroneous information. Under this policy, a discrepancy is presumed to be due to misunderstanding until it is proven to be due to deliberate falsification.

3. Withhold payment until a correction, if needed, is made. In cases where the institution has indisputable proof that information has been falsified (for example, an IRS tax form 1040 or proof of noncitizenship) the institution must withhold payment.

4. Report unresolved cases to Office of Education within 30 days. When the Office of Education receives an unresolvable case, it will be assumed that:

(a) the institution has some documentation on file to support the allegation, or has reason to believe that the information reported is questionable; and

(b) the responsible official at the institution has made a reasonable effort to contact the student and has been unsuccessful in resolving the discrepancy.

In reporting these cases to the Office of Education, the institution should provide the following information:

1. Applicant Information
   - Name
   - Address
   - Social Security Number
   - Telephone Number

2. Parent Information (if available)
   - Name
   - Address
   - Social Security Number
   - Telephone Number

3. Nature of discrepancy (refer to specific box on SER)

4. Nature of supporting documentation

5. Any payments made to date

All information should be forwarded to:

Basic Grant Program
U.S. Office of Education
P.O. Box 34437
Washington, D.C. 20034

The Office of Education will make every effort to validate all cases reported, and will attempt to follow-up on every case. However, there are several items on the SER where discrepancies may occur but for which verification may be unavailable or unduly difficult to obtain. For this reason, the major emphasis will be placed on data such as: adjusted gross income, taxes paid, size of household, Veteran's benefits, Social Security benefits, and citizenship.

Upon receipt of the above requested information, the following actions will be taken by the Office of Education:

1. All reports will be screened to determine if sufficient information has been provided to warrant further follow-up. In certain cases this may involve a follow-up phone call to the responsible official at the institution.

2. If follow-up is warranted, the institution will be sent a letter instructing it to suspend payment temporarily.

3. Simultaneously, the student will be sent a letter requesting submission of a corrected SER or appropriate verification.

4. All verifying documentation submitted will be reviewed for acceptability. Corrected SER's will be reviewed and forwarded to the Basic Grant processing agency for reprocessing.

5. At this point, the institution will be sent a letter (with a copy to the student) indicating final resolution and, where appropriate, releasing payment subject to receipt of the new SER by the responsible official at the institution.

The full cooperation of responsible officials in exercising due diligence is of vital importance in maintaining program integrity and preventing program abuse.

GLOSSARY

Bookkeeping

The process of analyzing, classifying, and recording transactions in accordance with a preconceived plan for the purpose of (a) providing a means by which an organization may be conducted in an orderly fashion, and (b) establishing a basis for reporting the financial condition of an organization and the results of its operation.

Two methods of bookkeeping are in use:

1. Single-entry–a bookkeeping system in which generally only records of cash and of personal accounts are maintained. Where transactions are infrequent and receivables, payables, and assets other than cash are few, single-entry records, carefully maintained, may be adequate. (Example–a personal check book)

2. Double-entry–the method usually followed by organizations for recording transactions. Each transaction involves a two-way, self-balancing journal entry, with equal debit and credit amounts. This entry is then posted from the journal to the corresponding ledger accounts involved. (Example–the accounting transactions illustrated in this *Manual*)

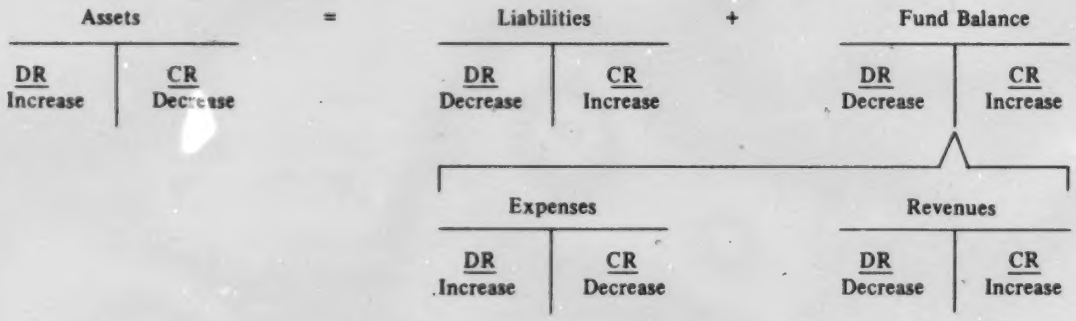
Accounting for Restricted Funds

A restricted fund is a self-balancing group of accounts: assets, liabilities, revenues, expenses and a fund balance; they are separated in the books of an institution and are limited to specific uses. The restricted funds illustrated in the following material (DFAFS Accounts, CWS, BEOG, SEOG, and NDSL) are all accounted for utilizing a double-entry bookkeeping system.

It is important to note that the individual funds are separated completely from one another and from the general fund of the institution and are self-balancing. That is, the debit balances of the debit accounts within the fund equal the credit balances of the credit accounts within the fund. This insures integrity of the individual funds and provides control over the expenditure of the funds.

Debit (DR) – Credit (CR)

"Debit" means *left* in accounting and "credit" means *right*. The left side of an account is called the debit side; the right side of an account is called the credit side. A debit entry (or simply "debit") would be recorded on the left side of an account; a credit entry (or simply "credit") would be recorded on the right side. The following illustrates the normal rules for debiting and crediting accounts:



Journal

A book of original entry; a chronological record of the debit and credit elements of each transaction. As transactions occur, they are entered initially into the journal. At convenient intervals, such as weekly or monthly, the debits and credits recorded in the journal are transferred (posted) to the individual accounts in the ledger.

Ledger

A book of accounts. Each item of a monetary nature to be included in the reports issued by an organization is assigned an account in the ledger. Posting from the journal to the ledger results in each account having either a debit or a credit balance. This debit or credit balance is then shown on the particular report listing this item. Separate ledgers should be maintained for each program or fund being accounted for.

Posting

The process of transferring the debits and credits from the journal to the proper ledger accounts. Each amount recorded in the debit column of the journal is posted by entering it on the debit side of the appropriate ledger account, and each amount recorded in the credit column of the journal is posted by entering it on the credit side of the appropriate ledger account.

Closing

The process of preparing, entering and posting closing entries. A closing entry is a journal entry in which the balances in revenue and expense accounts are eliminated at the end of the accounting period (calendar year or fiscal year). Because the revenue and expense accounts provide the information for the Statement of Operations of a given accounting period, it is essential that these accounts have zero balances at the beginning of each new period. Asset, liability, and fund balance accounts are not closed at the end of the accounting period as their balances carry over to the new period.

Adjusting Entry

A journal entry made for purposes of correcting an error (such as a transfer of an amount from one account to another) or recording an accrual (such as earned, but unpaid, CWS payroll at the end of an accounting period).

SUMMARY CHART OF ACCOUNTS

As an aid in the consideration of the records and accounting techniques for the financial aid programs included in this *Manual*, the following represents a summary listing of the accounts considered to be necessary for the institutions to account properly for these programs. Each school can devise its own set of accounts and its own accounting system, so long as these accounts and the system provide for the necessary documentation required by the Office of Education. *Ease of report preparation* and *simplicity of procedures within the institution* should be considered as guidelines for the specific system to be used.

The following simplified chart of accounts will permit the participating institution to meet the minimum program and fiscal requirements established by the Federal government. Additional accounts may be added as deemed necessary by the school.

The recommended accounts and the system of accounting have been established in recognition of the need to account separately for each of the federally-funded programs under consideration. Journal entries utilizing the following accounts will be illustrated.

DFAFS PROGRAMS LEDGER

Assets

1 Accounts Receivable, DFAFS
3 Cash Control, DFAFS

Capital Account

2 Unexpended Program Authorization, DFAFS
(NOTE: A separate subsidiary account with specific award number should exist for *each* award that has not been fully expended by the institution)

COLLEGE WORK-STUDY PROGRAM LEDGER

Assets

1 Cash, CWS

Liabilities

2.1 Federal Income Taxes Withheld
2.2 Social Security Taxes Withheld
2.3 State Income Taxes Withheld
2.4 Other Withholding
3 Accrued Wages Payable
4 Employer's Payroll Taxes Payable

Temporary Accounts

Revenue

5 Transfer from DFAFS-CWS Funds
6.1 Institution's Cash Contribution
6.2 Institution's Noncash Contribution
6.3 Off-campus Agency's Contribution

Expenses

7.1	Student Wages – On Campus
7.2	Student Wages – Off Campus
8	Administrative Expenses Paid to Institution
9	Job Location Expenses Paid to Institution

BASIC EDUCATIONAL OPPORTUNITY GRANT PROGRAM LEDGER

Assets

1	Cash, BEOG

Liabilities

None

Temporary Accounts

Revenue

2	Transfer from DFAFS-BEOG Funds

Expenses

3	Student Grants Paid-BEOG

SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS LEDGER

Assets

1	Cash, SEOG

Liabilities

None

Temporary Accounts

Revenue

2	Transfer from DFAFS – Initial Grants
3	Transfer from DFAFS – Continuing Grants
4	Transfer from DFAFS – Administrative Expenses

Expenses

5	Initial Grants Paid
6	Continuing Grants Paid
7	Administrative Expenses Paid to Institution

NATIONAL DIRECT STUDENT LOANS LEDGER

Assets

1	Cash, NDSL
2	Funds Receivable, DFAFS
3	Funds Receivable, Institution
4a	Funds Advanced to Students – In School
4b	Funds Advanced to Students – Out of School

Asset Reduction Accounts

5	Loan Principal Collected
6.1	Loan Principal Cancelled – Teaching Service (10% rate), Prior to 7/1/72
6.2	Loan Principal Cancelled – Teaching Service (15% rate), Prior to 7/1/72
6.3	Loan Principal Cancelled – Military Service (12 1/2% rate), Prior to 7/1/72
7.1	Loan Principal Cancelled – Teaching Service (15% rate), 7/1/72 and after
7.2	Loan Principal Cancelled – Teaching Service (20% rate), 7/1/72 and after
7.3	Loan Principal Cancelled – Teaching Service (30% rate), 7/1/72 and after
7.4	Loan Principal Cancelled – Military Service (12 1/2% rate), 7/1/72 and after
8	Loan Principal Cancelled – Death
9	Loan Principal Cancelled – Disability
10	Loan Principal Adjustments – Bankruptcy
11	Loan Principal Adjustments – Other

Liabilities

None

Capital Accounts

12	Federal Capital Contributions Authorized
14	Institutional Capital Contributions

Capital Reduction Accounts

13	Repayments to Federal Government
15	Repayments to Institution

Revenue

16	Interest Earned on Loans
17	Other Earnings
18	Reimbursement of Amounts Cancelled on Loans 7/1/72 and after

Expenses

19.1	Litigation Expenses
19.2	Administrative Expenses Paid to Institution
19.3	Other Collection Expenses
20	Cost of Loan Principal and Interest Cancelled – Teaching Service (Loans Prior to 7/1/72)
21	Cost of Loan Principal and Interest Cancelled – Military Service (Loans Prior to 7/1/72)
22	Cost of Loan Principal and Interest Cancelled – Teaching Service (Loans 7/1/72 and after)
23	Cost of Loan Principal and Interest Cancelled – Military Service (Loans 7/1/72 and after)
24	Cost of Loan Principal and Interest Cancelled – Death
25	Cost of Loan Principal and Interest Cancelled – Disability
26	Other Expenses or Losses – Bankruptcy
27	Other Expenses or Losses – Other

T-ACCOUNT DIAGRAMS

DFAFS Accounts

1. *Accounts Receivable, DFAFS:* All amounts due from all DFAFS-funded programs would be recorded in this account. The debit balance in this account would represent the balance of cash due for awards or authorizations made to the recipient institution.

Debit this account for:	Credit this account for:
Amount of awards/authorizations as specified in program award letter (contra account #2)	(a) Cash received from DFAFS (contra account #3) (b) Adjustment of unexpended balance of programs (contra account #2)

2. *Unexpended Program Authorization, DFAFS (control):* This credit balance account represents the unexpended balance of the awards made by DHEW. An individual subsidiary ledger account should be maintained for each such program (for example, CWS-061, SEOG-041, NDSL-071, *etc.*) and the sum of the credit balances in the subsidiary ledger should be agreed to the balance in this control account monthly. The debit entries in the specific program accounts provide the amounts for reporting in the "Expended Amount" column of the DFAFS "Recipient Report of Expenditures."

Debit this account for:	Credit this account for:
(a) Cash transferred to programs (contra account #3) (b) Adjustment of unexpended balance of programs (contra account #1)	Amount of awards/authorizations as specified in program award letter (contra account #1)

3. *Cash Control, DFAFS:* This is a debit balance account established for the purpose of identifying the balance of federal cash provided through DFAFS.

Debit this account for:	Credit this account for:
All cash received from DFAFS (contra account #1)	All cash transferred to programs (contra account #2)

CWS Accounts

1. *Cash, CWS:* All receipts and disbursements of cash related to the College Work-Study program are recorded in this account. Any debit balance remaining after payment of a payroll should be comprised solely of institutional and/or off-campus agency funds, since federal funds should be transferred from the DFAFS Cash Control Account (DFAFS Account #3) only in the precise amount needed for current disbursements.

Debit this account for:	Credit this account for:
(a) Federal contributions transferred from DFAFS account (contra account #5) (b) Cash contributions of the institution (contra account #6.1) (c) Contributions of off-campus agencies (contra account #6.3) (d) Cash paid into fund by the institution for later payment for employer's share of payroll taxes (contra account #4)	(a) Compensation to students (contra accounts #3, #7.1, #7.2) (b) Administrative expenses paid to the institution (contra account #8) (c) Refund of contribution to (1) the institution (contra account #6.1) (2) off-campus agencies (contra account #6.3) (d) Payment for compensation withheld (contra accounts #2.1, #2.2, #2.3, #2.4) (e) Payment of employer's payroll taxes (contra account #4) (f) Job location expenses paid to the institution (contra account #9)

2.1, 2.2, 2.3 and 2.4 *Withholding Accounts:* The titles of these accounts are stated in full in the Chart of Accounts, above. These accounts are used to record the amount of taxes withheld from the pay of students employed under the College Work-Study program, when this withholding is necessary.

Debit these accounts with the amount of taxes paid to the appropriate agency for:	Credit these accounts with the amounts withheld from the pay of students for payment of:
(a) Federal income taxes (b) Social Security taxes (c) State income taxes (d) Other taxes (All contra account #1)	(a) Federal income taxes (b) Social Security taxes (c) State income taxes (d) Other taxes (All contra accounts #7.1, #7.2)

3. *Accrued Wages Payable:* This account is used to accrue wages earned but not paid at the end of a report period. This is necessary because the College Work-Study program Fiscal Operations Report requires the reporting of compensation *earned* during the reporting period, regardless of when paid. (The DFAFS Recipient Report of Expenditures is, however, on a cash basis.)

Debit this account with amounts of gross compensation earned in the previous reporting period and paid during current period. (contra account #1)	Credit this account at the end of the reporting period for gross compensation earned but not yet paid. (contra accounts #7.1, #7.2)

NOTE: Accruals may be estimated

4. *Employer's Payroll Taxes Payable:* This credit balance account is maintained to record the amount of payments due to be made *by the institution* for the employer's share of payroll taxes on account of students employed under the College Work-Study program. Federal College Work-Study funds may not be used to pay any portion of such taxes. In some systems the employer's share of payroll taxes is handled directly from the general fund, and the off-campus agencies' payments for their share of payroll taxes is reimbursed to the general fund rather than transferring the amount into the CWS fund. In this case, account #4 would not be needed in the CWS set of accounts.

Debit this account with the amount of payroll taxes paid. (contra account #1)	Credit this account with the amount of payroll taxes payable. (contra account #1)

5. *Transfer from DFAFS-CWS Funds:* This credit balance account controls the transfer of cash from DFAFS account, "Cash Control, DFAFS", to the College Work-Study account, "Cash, CWS". Such transfers of cash should be made only in the precise amount needed for the federal share of the current payroll, plus administrative expenses. No transfer of cash should occur until the federal share of the currently payable payroll has been calculated.

Debit this account with the following closing entries at the end of the accounting period: (a) The federal share of wages earned. (contra accounts #7.1, #7.2) (b) Administrative expenses paid to the institution. (contra account #8) (c) Job location expenses paid to the institution. (contra account #9)	Credit this account with the amount of cash transferred from the DFAFS account "Cash Control, DFAFS" to meet current disbursement needs. (contra account #1)

6.1 *Institution's Cash Contribution:* This credit balance account is maintained to record cash contributions made by the institution to provide the required 20 per cent nongrant share of student wages on campus.

Debit this account with: (a) Refund to the institution of excess cash advances. (contra account #1) *and the following closing entry:* (b) The nongrant share (i.e., the share for which Federal College Work-Study funds are not available) of cash wages paid to students employed on campus (contra account #7.1)	Credit this account with the amount of cash provided by the institution to pay its share of on-campus student wages (contra account #1)

6.2 *Institution's Noncash Contribution:* This credit balance account records the amount of wages "paid" to students by the institution through tuition rebates and other such noncash means.

Debit this account with the following closing entry at the end of the accounting period: Cash value of all tuition rebates or similar credits to student accounts made by the institution during the reporting period as its share of on-campus student wages. (contra account #7.1)	Credit this account each pay period with the cash value of all tuition rebates or similar credits to the student's account made by the institution as its share of on-campus student wages. (contra account #7.1)

6.3 *Off-Campus Agency's Contribution:* This credit balance account is maintained to record cash contributions made by off-campus agencies to provide the required 20 percent nongrant share of student wages off campus.

Debit this account with:	Credit this account with the amount of cash provided by off-campus agencies to pay the required 20 percent nongrant share of wages of students employed off campus. (contra account #1)
(a) Refund to off-campus agencies of excess cash contributions (contra account #1) *and the following closing entry:* (b) The nongrant share (i.e., the share for which Federal College Work-Study funds are not available) of wages paid to students employed off-campus (contra account #7.2)	

7.1 *Student Wages, On Campus:* This expense account is maintained to facilitate the preparation of required College Work-Study program reports.

Debit this account with the gross amount of wages earned by students in on-campus employment from the first day to the last day of the reporting period (posted from payroll voucher, adjusted as necessary for accruals). (contra accounts #1, #2.1, #2.2, #2.3, #2.4, #3 and #6.2)	Credit this account with the following closing entries at the end of the accounting period: (a) The nongrant share of wages earned on campus (contra accounts #6.1 and #6.2) (b) The Federal share of wages earned on campus (contra account #5)

7.2 *Student Wages, Off Campus:* This expense account is maintained to facilitate the preparation of required reports.

Debit this account with the gross amount of wages earned by students in off-campus employment from the first day to the last day of the reporting period (posted from payroll vouchers, adjusted as necessary for accruals). (contra accounts #1, #2.1, #2.2, #2.3, #2.4 and #3)	Credit this account with the following closing entries at the end of the accounting period: (a) The nongrant share of wages earned off campus (contra account #6.3) (b) The Federal share of wages earned off campus (contra account #5)

8. *Administrative Expenses Paid to Institution:* This expense account is maintained to record payments made to the institution in lieu of reimbursement for administrative expenses. Such payments may not exceed 4 percent of the sum of the debit entries to accounts #7.1 and #7.2.

Debit this account each pay period with the amount paid to the institution. (contra account #1)	Close this account at the end of the accounting period by crediting the total of the amounts paid to the institution during the reporting period. (contra account #5)

9. *Job Location Expenses Paid to Institution:* This expense account is maintained to record payments made to the institution for job location search expenses. This amount is not to exceed $15,000, or 10% of the institution's allotment whichever is less, per grant period. A separate report will be made by the institution each year to cover the nature of the job location activities, as well as the amount spent.

Debit this account with the amount paid to the institution. (contra account #1)	Close this account at the end of the accounting period by crediting the total of the amounts paid to the institution during the reporting period. (contra account #5)

BEOG Accounts

1. *Cash, BEOG:* All receipts and disbursements of cash related to the Basic Educational Opportunity Grant program are recorded in this account. Typically this account would show a zero balance after each period's entries are posted, since the transfer of funds from DFAFS should be for just the amount of grants to be paid immediately to the students.

Debit this account for:	Credit this account for:
(a) Transfers from DFAFS account (contra account #2) (b) Recoveries from recipients (contra account #3)	Payments to students (contra account #3)

2. *Transfer from DFAFS-BEOG Funds:* This credit balance account controls the transfer of cash from the DFAFS account "Cash Control, DFAFS" to the BEOG account "Cash, BEOG." Such transfers of cash should be made only in the precise amount needed to pay grants on a current basis.

Debit this account for:	Credit this account for:
Closing entry at end of accounting year (contra account #3)	Cash transferred from DFAFS account to meet current disbursement needs (contra account #1)

3. *Student Grants Paid-BEOG:* This debit balance account is maintained to record payments made to the students for BEOG.

Debit this account for:	Credit this account for:
Grant payments made to students (contra account #1)	(a) Recoveries from recipients (contra account #1) (b) Closing entry at end of accounting year (contra account #2)

NOTE: The debit amount in this account should agree with the sum of the individual amounts shown on the Student Mastercards as BEOGs for the current year.

SEOG Accounts

1. *Cash, SEOG:* All receipts and disbursements of cash related to the Supplemental Educational Opportunity Grants program are recorded in this account. Typically this account would show a zero balance after each period's entries are posted since the transfer of funds from DFAFS should be only for the amount of grants to be paid to the students immediately and for administrative expenses.

Debit this account for:	Credit this account for:
Transfers from DFAFS account (contra accounts #2, #3, and #4)	(a) Payments to students (contra accounts #5 and #6) (b) Payments to institution for administrative expenses (contra account #7)

2. *Transfer from DFAFS – Initial Grants:*

3. *Transfer from DFAFS – Continuing Grants:*

4. *Transfer from DFAFS – Administrative Expenses:* These revenue accounts are maintained to control the transfer of cash from the DFAFS account "Cash Control, DFAFS" to the SEOG account "Cash, SEOG." Such transfers of cash should be made only in the precise amount needed to pay awards and the administrative expense allowance on a current basis.

Debit these accounts for:	Credit these accounts for:
Closing entry at end of accounting year (contra accounts #5, #6, and #7)	Cash transferred from the DFAFS account to meet current disbursement needs (contra account #1)

5. *Initial Grants Paid:* This expense account is maintained to facilitate the preparation of required SEOG program reports.

Debit this account for:	Credit this account for:
Payments to students for initial grants (contra account #1)	Closing entry at end of accounting year (contra account #2)

NOTE: The debit amount in this account should agree with the sum of the individual amounts shown on the Student Mastercards as SEOG initial grants for the current year.

6. *Continuing Grants Paid:* This expense account is maintained to facilitate the preparation of required SEOG program reports.

Debit this account for:	Credit this account for:
Payment to students for continuing grants (contra account #1)	Closing entry at end of accounting year (contra account #3)

NOTE: The debit amount in this account should agree with the sum of the individual amounts shown on the Student Mastercard as SEOG continuing grants for the current year.

7. *Administrative Expenses Paid to Institution:* This expense account is used to record the 4 percent administrative expense allowance as it is paid to the institution.

Debit this account for:	Credit this account for:
Payments to institution for administrative expenses (contra account #1)	Closing entry at end of accounting year (contra account #4)

NOTE: After closing, Accounts #2, #3, #4, #5, #6 and #7 should show zero balances.

NDSL Accounts

1. *Cash, NDSL:* This is a debit balance account which shows the total cash available:

Debit this account with all cash *received* for:	Credit this account with all cash *disbursed* for:
(a) Capital contributions of (1) Federal government as transferred from DFAFS cash (contra account #2) (2) institution (contra account #3) (b) Refunds of amounts advanced to students (contra account #4a) (c) Collections of principal from borrowers (contra account #5) (d) Collections of interest from borrowers (contra account #16) (e) Collections of late charges assessed (contra account #17) (f) Other income (contra account #17) (g) Reimbursements from Federal government on cancellations (contra account #18) (h) Repayments from borrowers for litigation expenses (contra account #19.1)	(a) Advances to students (contra account #4a) (b) Repayments of capital to: (1) Federal government (contra account #14) (2) institution (contra account #15) (c) Withdrawals for payment of litigation expenses (contra account #19.1) (d) Withdrawals for authorized administrative expenses (contra account #19.2) (e) Withdrawals for payment of other collection expenses (contra account #19.3)

2. *Funds Receivable, DFAFS:* This is a debit balance account which shows the total of the funds due from DFAFS for the NDSL program.

Debit this account for:	Credit this account for:
Amount of the award as specified in the NDSL allocation letter (contra account #12)	(a) Cash transferred into the NDSL account from the DFAFS account (contra account #1) (b) Deobligation of NDSL funds (contra account #12)

3. *Funds Receivable, Institution:* This debit balance account shows the total of the funds due from the institution for the NDSL program. It should be noted that funds cannot be transferred from the DFAFS account without the institutional one-ninth share being paid simultaneously.

Debit this account for:	Credit this account for:
One-ninth (1/9) of the grant at specified in the NDSL allocation letter. This is the institution's matching share. (contra account #13)	(a) Cash paid by the institution to the NDSL account for the institution's share of NDSL advances (contra account #1) (b) Deobligation of NDSL funds. The institution's 1/9 matching share (contra account #15)

4a. *Funds Advanced to Students – In School:* This debit balance account is a control account for advances to borrowers during their tenure in school. The total of the amounts shown as advances on the individual Student Mastercards for all in-school students should be reconciled to the balance in this account at the end of each month.

Debit this account for:	Credit this account for:
The amount advanced to borrowers (contra account #1)	(a) Any return of advances made (contra account #1) (b) Total previously advanced to students who are terminating their enrollment at the institution (contra account #4b)

4b. *Funds Advanced to Students – Out of School:* This debit balance account is a control account for the total amount advanced during their tenure in school to borrowers who have terminated their enrollment at the institution (see note on p. 28). This represents the total amount of loan principal advanced since the beginning of the program.

Debit this account for:	Credits: None, except for correction of errors
the total advanced to students who are terminating their enrollment at the institution (contra account #4a)	

NOTE: The balance in this account should be reconciled at the end of each month to sum of the total advanced amounts on the individual student ledger cards for out of school borrowers.

5. *Loan Principal Collected:* This is a credit balance account maintained to show the total amount of loan principal collected since the beginning of the program.

Debits: None, except for correction of errors	Credit this account for:
	The amounts of cash collections related to loan principal (contra account #1)

6.1 *Loan Principal Cancelled – Teaching Service (10% Rate), Prior to 7/1/72:*

6.2 *Loan Principal Cancelled – Teaching Service (15% Rate), Prior to 7/1/72:*

6.3 *Loan Principal Cancelled – Military Service (12 1/2% Rate), Prior to 7/1/72:*

7.1 *Loan Principal Cancelled – Teaching Service (15% Rate), 7/1/72 and after:*

7.2 *Loan Principal Cancelled – Teaching Service (20% Rate), 7/1/72 and after:*

7.3 *Loan Principal Cancelled – Teaching Service (30% Rate), 7/1/72 and after:*

7.4 *Loan Principal Cancelled – Military Service (12 1/2% Rate), 7/1/72 and after:*

8. *Loan Principal Cancelled – Death:*

9. *Loan Principal Cancelled – Disability:*

These separate accounts are maintained to show the cumulative amounts of loan principal cancelled under the provisions of the law.

Debits: None, except for correction of errors	Credit the appropriate one of these accounts for the amounts of loan principal cancelled under the provisions of the law. (contra accounts #20, #21, #22, #23, #24, #25)

10. *Loan Principal Adjustments – Bankruptcy:* This is a credit balance account maintained to show the cumulative total amount of loan principal lost because of bankruptcy.

Debits: None, except for correction of errors	Credit this account for the amount of loan principal lost because of bankruptcy. (contra account #26)

11. *Loan Principal Adjustment – Other:* This is a credit balance account maintained to show the cumulative total amount of loan principal lost because of other reasons as specified by the Office of Education.

Debits: None, except for correction of errors	Credit this account for the amount of loan principal lost because of other approved reasons. (contra account #27) Each credit entry to this account should be adequately labelled to identify the reason for the adjustment.

12. *Federal Capital Contributions Authorized:* This is a credit balance account maintained to show the total Federal capital contributions since the beginning of the program.

Debit this account for the amount of deobligation of Federal funds. (contra account #2)	(a) This account will show a credit balance for the cumulative total of Federal capital contribution authorized since the beginning of the program. (b) Credit this account with the amount of the grant as specified in the NDSL allocation letter. (contra account #2)

13. *Institutional Capital Contributions:* This credit balance account is maintained to show the total institutional capital contributed to the fund.

Debit this account for the institution's share of deobligation of NDSL funds (contra account #3)	(a) This account will show a credit balance for the cumulative total of institutional capital contribution since the beginning of the program. (b) Credit this account with the institution's matching share of the NDSL grant. This is 1/9 of the amount shown in the allocation letter. (contra account #3)

14. *Repayments to Federal Government:*

15. *Repayments to Institution:* These debit balance accounts are maintained to show the total distribution of fund capital in case of partial dissolution of the NDSL fund.

Debit the appropriate one of these accounts for the amounts of capital contributions repaid in partial dissolution of the fund. (contra account #1)	Credits: None, except for correction of errors

16. *Interest Earned on Loans:* This is a credit balance account maintained to show the total interest which has been collected or has been cancelled because of teaching service, military service, death, disability, bankruptcy, or other costs or losses (specify).

Debits: None, except for correction of errors	Credit this account with: (a) The amount of loan interest collected (contra account #1) (b) The amount of loan interest cancelled for teaching (contra accounts #20 and #22) (c) The amount of loan interest cancelled for military service (contra accounts #21 and #23) (d) The amount of loan interest cancelled for death (contra account #24) (e) The amount of loan interest cancelled for disability (contra account #25) (f) The amount of loan interest cancelled for bankruptcy (contra account #26) (g) The amount of loan interest cancelled for other costs or losses (specify) (contra account #27)

17. *Other Earnings:* This credit balance account is maintained to show the cumulative earnings of the Fund other than interest on student loans, such as late charges assessed and interest earned on Fund cash balances. (Note that under the DFAFS funding agreement it is anticipated that no substantial amounts of cash will be held in this Fund and therefore no interest would be earned). Since it will be necessary to report on each type of earnings separately, a subsidiary ledger account for each type of earnings is desirable.

Debits: None, except for correction of errors	Credit this account for: (a) Late charges assessed and collected (contra account #1) (b) Interest earned on Fund cash (contra account #1) (c) Any other earnings of the Fund (contra account #1)

18. *Reimbursement of Amounts Cancelled on Loans 7/1/72 and After:* This credit balance account is maintained to show the cumulative amount received from the Federal government as a result of reimbursement on loans cancelled for teaching and military service.

Debits: None, except for correction of errors	Credit this account with the amounts received from the Federal government for reimbursement of the aggregate of institutional plus Federal funds cancelled due to teaching and military service on loans made 7/1/72 and thereafter. (contra account #1)

19.1 *Litigation Expenses:* This is a debit balance account maintained to show the net amount paid for litigation arising in connection with student loans.

Debit this account with amounts paid for litigation expenses. (contra account #1)	Credit this account with amounts collected from borrowers in repayment of litigation expenses. (contra account #1)

19.2 *Administrative Expenses Paid to Institution:* This is a debit balance account maintained to show the cumulative amount of authorized administrative expenses charged to the Fund in lieu of reimbursement to the institution.

Debit this account with amounts charged to the Fund as authorized administrative expenses. (contra account #1)	Credit: None, except for correction of errors

19.3 *Other Collection Expenses:* This is a debit balance account maintained to show the net amount charged to the Fund for collection expenses other than costs of litigation, such as commission paid to collection agency as approved by the Commissioner.

Debit this account with amounts authorized to be charged to the Fund as other collection expenses. (contra account #1 or #5)	Credit this account with amounts collected from borrowers in repayment of costs of collection other than litigation expenses. (contra account #1)

20. and 22. *Cost of Loan Principal and Interest Cancelled – Teaching Service:* These are debit balance accounts maintained to show the cumulative total cost of cancellations for teaching service.

Debit the appropriate account with the total of principal and interest cancelled for teaching service. (contra accounts #6.1 and #6.2 or #7.1, #7.2, #7.3, and #16)	Credit: None, except for correction of errors

21. and 23. *Cost of Loan Principal and Interest Cancelled – Military Service:* These debit balance accounts are maintained to show the cumulative total cost of cancellations for military service.

Debit this account with the total of principal and interest cancelled for military service. (contra accounts #6.3, or #7.4 and #16)	Credit: None, except for correction of errors

24. *Cost of Loan Principal and Interest Cancelled – Death:* This is a debit balance account maintained to show the cumulative total cost of cancellations for death.

Debit this account with the total of principal and interest cancelled for death. (contra accounts #8 and #16)	Credit: None, except for correction of errors

25. *Cost of Loan Principal and Interest Cancelled – Disability:* This is a debit balance account maintained to show the total cost of cancellations for disability.

Debit this account with the total of principal and interest cancelled for disability. (contra accounts #9 and #16)	Credit: None, except for correction of errors

26. *Other Expenses or Losses – Bankruptcy:* This is a debit balance account maintained to show the total costs or losses for bankruptcy. Refer to NDSL program instructions before any charges are made to this account.

Debit this account with any loan principal and interest written off because of bankruptcy. (contra accounts #10 and #16)	Credit: None, except for correction of errors

27. *Other Expenses or Losses – Other:* This is a debit balance account maintained to show the total costs or losses-other. Request advice from the Office of Education before any charges are made to this account.

Debit this account with any loan principal and interest written off because of other costs or losses. The reason for the write-off should be specified for easy identification in the account. (contra accounts #11 and #6)	Credit: None, except for correction of errors

ILLUSTRATED JOURNAL ENTRIES

Following are a set of illustrative journal entries showing the event that would cause an entry to be made, the appropriate journal in which to make the entry, the account(s) that would be used and an indication of the amount of the debit and credit:

A. **Event:** Received ceiling authorization letter from Federal government for BEOG program.

Journal: DFAFS

Entry: Accounts Receivable, DFAFS
Unexpended Program Authorization, DFAFS

Amount: Amount shown on the authorization letter
Note 1: This amount should be posted *also* to a subsidiary ledger account for the specific authorization number.

Note 2: No entry is made in the BEOG set of accounts at this time since the basic control over the amount is established in the DFAFS accounts.

B. **Event:** Received notification from Federal government of award for SEOG program.

Journal: DFAFS

Entry: Accounts Receivable, DFAFS
Unexpended Program Authorization, DFAFS

Amount: Amount shown on the award letter
Note 1: This amount should be posted *also* to a subsidiary ledger account for the specific award number.

Note 2: No entry is made in the SEOG set of accounts at this time since the basic control over the award is established in the DFAFS accounts.

C. **Event:** Received notification from Federal government of award for CWS program.

Journal: DFAFS

Entry: Accounts Receivable, DFAFS
Unexpended Program Authorization, DFAFS

Amount: Amount shown on the award letter
Note 1: This amount should be posted *also* to a subsidiary ledger account for the specific award number.

Note 2: No entry is made in the CWS set of accounts at this time since the basic control over the award is established in the DFAFS accounts.

D. **Event:** Received notification from Federal government of award for NDSL program.

Journal: DFAFS *and* NDSL

Entry in DFAFS accounts:
Accounts Receivable, DFAFS
Unexpended Program Authorization, DFAFS
(This amount should *also* be posted to a subsidiary ledger account for specific award number)

Amount: Amount shown on allocation letter (*not* approved level of lending)

Entry in NDSL accounts:
Funds Receivable, DFAFS
Federal Capital Contribution Authorized

Amount: Amount shown on allocation letter

Funds Receivable, Institution
  Institutional Capital Contributions

Amount: 1/9 of Federal grant

Note: Under the NDSL program the authorized amount is also entered in the NDSL accounts along with the institution's matching amount.

E. **Event:** Cash is received from DFAFS as a result of a cash request or letter of credit requisition.

Journal: DFAFS

Entry:
Cash Control, DFAFS
  Accounts Receivable, DFAFS

Amount: Amount of cash received

F. **Event:** Information is available as to the BEOGs to be paid to students, and funds are transferred from the DFAFS accounts to the BEOG fund.

Journal: DFAFS *and* BEOG

Entry in DFAFS accounts:
Unexpended Program Authorization, DFAFS
  Cash Control, DFAFS

Amount: Amount of cash transferred.

NOTE: This amount should also be posted to the subsidiary ledger account for the specific BEOG authorization.

Entry in BEOG accounts:
Cash, BEOG
  Transfer from DFAFS-BEOG Funds

Amount: Amount of cash transferred.

G. **Event:** BEOGs are paid to students.

Journal: BEOG

Entry:
Student Grants Paid-BEOG
  Cash, BEOG

Amount: Amount of grants paid.

H. **Event:** Refund or recovery from student recipient.

Journal: BEOG

Entry: Cash, BEOG
  Student Grants Paid-BEOG

Amount: Amount of refund received.

I. **Event:** The end of the fiscal year.

Activity: A final trial balance of the Student Mastercards-BEOG section should be taken and the total agreed with Account #3. Then the temporary accounts in the BEOG ledger would be closed.

Entry: Transfer from DFAFS-BEOG Funds
Student Grants Paid-BEOG

Amount: The balance in each account. No difference should exist between the debit and credit amounts. If excessive funds have been transferred in, they should be returned to the DFAFS accounts and the entries would be the opposite of those needed to transfer funds into the BEOG accounts.

J. **Event:** Payroll information is available from the CWS program and funds are transferred from the DFAFS account for the Federal share plus the 4% administrative allowance.

Journal: DFAFS *and* CWS

Entry in DFAFS accounts:
Unexpended Program Authorization, DFAFS
Cash Control, DFAFS

Amount: Amount of cash transferred, including the administrative allowance.

Note: This amount should *also* be posted to the subsidiary ledger for the specific award number.

Entry in CWS accounts:
Cash, CWS
Transfer from DFAFS-CWS Funds

Amount: Amount of transfer.

K. **Event:** The institutional share of the payroll is transferred from the institution's general fund to the CWS fund.

Journal: CWS

Entry:
Cash, CWS
Institution's Cash Contribution
Employer's Payroll Taxes Payable

Amount: Institution's share of payroll plus employer's share of Social Security.

Note: As noted in the ledger account illustration the employer's share of Social Security cannot be paid from Federal College Work-Study funds. Some institutions handle this directly from their general fund and account #4 is not used in the CWS set of accounts. The illustration is designed to show the appropriate entries if the employer's share of Social Security is in fact transferred into the CWS fund.

L. **Event:** Cash is received from off-campus agencies for their share of payroll plus the employer's share of Social Security.

Journal: CWS

Entry:
Cash, CWS
Off-campus Agency's Contribution
Employer's Payroll Taxes Payable

Amount: Amount of cash received

M. **Event:** Payroll is paid to students including certain students receiving noncash wages.

Journal: CWS

Entry:

Student Wages - On Campus
Student Wages - Off Campus
  Cash, CWS
  Institution's Noncash Contribution
  Federal Income Tax Withheld
  Social Security Tax Withheld
  State Income Tax Withheld
  Other Withholding

Amount: Gross wages are entered in the appropriate student wages accounts. Net cash paid is credited to Cash, CWS. The Institution's Noncash Contribution is entered in that account and the amounts withheld from student wages are entered in the appropriate accounts.

N. **Event:** The institution is paid the allowed 4% for administrative expense.

Journal: CWS

Entry:

Administrative Expenses Paid to Institution
  Cash, CWS

Amount: 4% of gross earnings, on campus and off campus.

O. **Event:** Payment is made to the appropriate government agencies for Social Security taxes and Income Tax withheld.

Journal: CWS

Entry:

Employer's Payroll Taxes Payable (see note at event K)
Federal Income Tax Withheld
Social Security Tax Withheld
State Income Tax Withheld
Other Withholdings
  Cash, CWS

Amount: Amounts withheld for various purposes.

Note: This would typically require several entries as checks are written for appropriate deposits and to different agencies.

P. **Event:** The end of the fiscal year.

Activity: A final trial balance of the Student Mastercards CWS section should be taken and the total agreed to accounts #7.1 and #7.2. Then the temporary accounts in the CWS ledger would be closed.

Entry:

Transfer from DFAFS-CWS Funds
Institution's Cash Contribution
Institution's Noncash Contribution
Off-campus Agency's Contribution
  Student Wages - On Campus
  Student Wages - Off Campus
  Administrative Expense Paid to Institution

Amount: Balances in each account with possible exception of off-campus agent's contribution. There might be a balance in the "Off-campus Agency's Contribution" account, if for some reason the agency had deposited more "funds" then were needed to match its payroll. Reimbursement to the agency would clear the balance from the account. If excessive funds have been transferred from DFAFS funds, they should be returned and entries would be the opposite of those needed to transfer funds into the CWS accounts.

Q. **Event:** Information is available as to the SEOG grants to be made and funds are transferred from the DFAFS account to the SEOG fund.

Journal: DFAFS *and* SEOG

Entry in DFAFS accounts:
Unexpended Program Authorization, DFAFS
Cash Control, DFAFS

Amount: Amount of cash transferred, including 4% administrative allowance.

Note: This amount should *also* be posted to the subsidiary ledger account for the specific award number.

Entry in SEOG accounts:
Cash, SEOG
Transfer from DFAFS-Initial Grants
Transfer from DFAFS-Continuing Grants
Transfer from DFAFS-Administrative Expenses

Amount: Appropriate amounts for each account.

R. **Event:** SEOG grants are paid to students.

Journal: SEOG

Entry:
Initial Grants Paid
Continuing Grants Paid
Cash, SEOG

Amount: Amount of grants paid.

S. **Event:** Administrative allowance is paid to institution.

Journal: SEOG

Entry:
Administrative Expenses Paid to institution
Cash, SEOG

Amount: 4% of total grants paid

T. **Event:** The end of the fiscal year.

Activity: A final trial balance of the student Mastercards-SEOG section should be taken and the total agreed with accounts #5 and #6. Then the temporary accounts in the SEOG ledger would be closed.

Entry:
Transfer from DFAFS-Initial Grants
Transfer from DFAFS-Continuing Grants
Transfer from DFAFS-Administrative Expenses
Initial Grants Paid
Continuing Grants Paid
Administrative Expenses Paid to Institution

Amount: The balances in each account. No differences between the debit and credit accounts should exist. If excessive funds have been transferred in, they should be returned to the DFAFS accounts and the entries would be the opposite of those needed to transfer funds into the SEOG accounts.

U. **Event:** Information is available regarding the loans to be made, the cash remaining in the NDSL Fund from collections and the amount to be drawn from the DFAFS account for the program. Funds are transferred from DFAFS account to the NDSL Fund.

Journal: DFAFS *and* NDSL

Entry in DFAFS accounts:
Unexpended Program Authorization, DFAFS
Cash Control, DFAFS

Amount: Amount of cash transferred including 4% administrative allowance.

Note: This amount should *also* be posted to the subsidiary ledger account for the specific award number.

Entry in NDSL Accounts:
Cash, NDSL
Funds Receivable, DFAFS

Amount: Amount of transfer

V. **Event:** Institution's share of NDSL advances to students is received.

Journal: NDSL

Entry:
Cash, NDSL
Funds Receivable, Institution

Amount: 1/9 of Federal contribution for advances to students.

W. **Event:** Advances are made to students from NDSL funds.

Journal: NDSL

Entry:
Funds Advanced to Students-In School
Cash, NDSL

Amount: Amount of advances.

X. **Event:** Students terminate their enrollment at the institution.

Journal: NDSL

Entry:
Funds Advanced to Students - Out of School
Funds Advanced to Students - In School

Amount: The amount of total advances to students whose enrollment is terminated.

Note:
The control account for Funds Advanced to Students should be broken down into at least two components, i.e., In School and Out of School, since this will aid in maintaining control over the accounts. This way the in-school Student Mastercard (see Exhibit V) can be used as the subsidiary ledger for the in-school students in all the programs, and the change at the time the student terminates his student status is formally recognized in the accounts.

With this method, if an outside billing agency is being used, the "Funds Advanced to Students-Out of School" account becomes the control account for the accounts turned over to the outside billing agency. If some of the accounts are not turned over to the billing agency when the student leaves school, a further subdivision of the control account might be appropriate.

When the school is handling its own collections, it is still appropriate to separate both the control account and the subsidiary accounts between those in school and those out of school. Breaking down the student ledger in this way and establishing appropriate control accounts over each section should make it easier to take the monthly trial balance on the ledgers and to isolate errors that might have been made in the accounts.

Y. **Event:** Principal and interest are collected from students whose payments have become due.

Journal: NDSL

Entry:

Cash, NDSL
  Loan Principal Collected
  Interest Earned on Loans

Amount: Amounts collected

Z. **Event:** Principal and interest are cancelled for teaching service on the basis of proper documentation received; some at 10% and some at 15%.

Journal: NDSL

Entry:

Cost of Loan Principal and Interest Cancelled - Teaching Service
  Loan Principal Cancelled - Teaching Service (15% rate)
  Loan Principal Cancelled - Teaching Service (10% rate)
  Interest Earned on Loans

Amount: Total amount cancelled

Note 1: A similar entry would be made for other cancellations.

Note 2: At the time of the cancellation entry here, the institution should also make an entry in its General Fund, recording a receivable and a general revenue from the Federal government for the institutional portion (10%) of the full amount of principal and interest cancelled on loans made prior to 7/1/72. This amount will be received by the institution in due course. For loans made 7/1/72 and after, see NDSL account #18 for appropriate accounting.

AA. **Event:** Notification and proper documentation is received regarding death of a borrower.

Journal: NDSL

Entry:

Cost of Loan Principal and Interest Cancelled - Death
  Loan Principal Cancelled - Death
  Interest Earned on Loans

Amount: Balance due from deceased borrower plus interest up to date of death

BB. **Event:** Notification and proper documentation is received regarding total and permanent disability of a borrower.

Journal: NDSL

Entry:

Cost of Loan Principal and Interest Cancelled - Disability
  Loan Principal Cancelled - Disability
  Interest Earned on Loans

Amount: Balance due from disabled borrower plus interest up to date of disability

CC. **Event:** Notification and proper documentation is received regarding borrower who has been adjudged bankrupt.

Journal: NDSL

Entry:

Other Expenses or Losses - Bankruptcy
Loan Principal Adjustments - Bankruptcy
Interest Earned on Loans

Amount: Amount of cancellation based on legal situation

DD. **Event:** Authorization is received from the Office of Education to write off an account for other justifiable reasons.

Journal: NDSL

Entry:

Other Expenses and Losses - Other
Loan Principal Adjustments - Other
Interest Earned on Loans

Amount: Amount authorized by Office of Education

EE. **Event:** After negotiation with the Office of Education, a portion of the NDSL Fund capital is returned to OE.

Journal: NDSL

Entry:

Repayments to Federal Government
Cash, NDSL

Amount: Agreed amount of repayment

FF. **Event:** The institution's share of the reduction in NDSL Fund capital is returned to the institution.

Journal: NDSL

Entry:

Repayments to Institution
Cash, NDSL

Amount: 1/9 of amount returned to OE

GG. **Event:** Received notification from Business Office of earnings on the NDSL Fund, such as late charges.

Journal: NDSL

Entry:

Cash, NDSL
Other Earnings

Amount: Amount earned

HH. **Event:** The institution is paid the allowed 4% of total advances to students for administrative expenses.

Journal: NDSL

Entry:

Administrative Expenses Paid to Institution
Cash, NDSL

Amount: 4% of total advances to students during the fiscal year July 1 - June 30

II. **Event:** Reimbursement from Federal government on loans cancelled.

Journal: NDSL

Entry:

Cash, NDSL
Reimbursement of Amounts Cancelled on Loans 7/1/72 and After

Amount: Amount indicated in cover letter from Federal government

JJ. **Event:** Litigation expenses paid on outstanding loans.

Journal: NDSL

Entry:

Litigation Expenses
Cash, NDSL

Amount: Amount paid

KK. **Event:** Collection from borrowers in repayment of litigation expenses incurred by institution.

Journal: NDSL

Entry:

Cash, NDSL
Litigation Expenses

Amount: Amount received from borrower

LL. **Event:** Payment of other collection expenses associated with outstanding loans, such as commissions to collection agency.

Journal: NDSL

Entry:

Other Collection Expenses
Cash, NDSL

(Note that in a case where the collection agency withholds its commission, the debit to "Other Collection Expenses" would be incorporated with the entry to record collection of the loan, e.g.:

Cash, NDSL
Other Collection Expenses
Loan Principal Collected
Interest Earned on Loans)

Amount: The amount actually paid to (or withheld by) the collection agency.

MM. **Event:** Collection from borrowers of other collection expenses in repayment of amount initially paid by the institution.

Journal: NDSL

Entry:
Cash, NDSL
Other Collection Expenses

Amount: Actual amount collected from borrower

NN. **Event:** Students return or refund loan advances because they are not needed.

Journal: NDSL

Entry:
Cash, NDSL
Funds Advanced to Students-In School

Amount: Amount actually returned or refunded by student

OO. **Event:** Deobligation of BEOG unexpended authorization.

Journal: DFAFS

Entry:
Unexpended Program Authorization, DFAFS
Accounts Receivable, DFAFS

Amount: The actual amount shown on notification from Federal government

Note 1: This amount should *also* be posted to the subsidiary ledger account for the specific authorization number.

Note 2: No entry is needed in the BEOG set of accounts as deobligation for this program is recorded in the same accounts used to control the unexpended authorization–the DFAFS accounts.

PP. **Event:** Deobligation of SEOG unexpended program authorization.

Journal: DFAFS

Entry:
Unexpended Program Authorization, DFAFS
Accounts Receivable, DFAFS

Amount: The actual amount shown on notification from Federal government

Note 1: This amount should *also* be posted to the subsidiary ledger account for the specific award number.

Note 2: No entry is needed in the SEOG set of accounts as deobligation for this program is recorded in the same accounts used to control the unexpended award–the DFAFS accounts.

QQ. **Event:** Deobligation of CWS unexpended program authorization.

Journal: DFAFS

Entry:
Unexpended Program Authorization, DFAFS
Accounts Receivable, DFAFS

Amount: The actual amount shown on notification from Federal government

Note 1: This amount should *also* be posted to the subsidiary ledger account for the specific award number.

Note 2: No entry is needed in the CWS set of accounts as deobligation for this program is recorded in the same accounts used to control the unexpended award–the DFAFS accounts.

RR. **Event:** Deobligation of NDSL unexpended program authorization.

Journal: DFAFS *and* NDSL

Entry in DFAFS accounts:
Unexpended Program Authorization, DFAFS
Accounts Receivable, DFAFS
(This amount should *also* be posted to the subsidiary ledger account for the specific award number)

Amount: The actual amount shown on notification from Federal government

Entries in NDSL accounts:

1. Federal Capital Contribution Authorized
Funds Receivable, DFAFS

Amount: Amount shown on notification

2. Institutional Capital Contributions
Funds Receivable, Institution

Amount: 1/9 of the amount in the notification from Federal government

SS. **Event:** Transfer of up to 10% of CWS program authorization to SEOG program.

Journal: DFAFS

Entry:
Unexpended Program Authorization, DFAFS
Unexpended Program Authorization, DFAFS

Amount: Actual amount transferred

Note 1: This is a memorandum entry in the control account. However, in the subsidiary accounts this amount would be debited to the specific CWS award account, and credited to the specific SEOG award account.

Note 2: A similar entry would be made for transfer from SEOG to CWS.

Note 3: This entry will facilitate reporting of transfers.

THE STUDENT MASTERCARD

There are a number of ways in which the institution can meet the detail records requirements of these programs. One way is a Student Mastercard (Exhibit V) for in-school students, where the institution records basic information relating to all the programs in which the student participates. This type of card, modified to take into account any special problems at a particular institution, can be maintained in lieu of separate cards for each of the programs. So long as the individual sections on the cards are periodically proved to the appropriate control accounts in the CWS, BEOG, SEOG, and NDSL ledgers, this card will satisfy the basic detail records requirements for the programs.

The major advantages of this type of record are: 1) elimination of duplication of information about the student; 2) availability on one card of the total information about each student's financial aid history; 3) the added assistance it provides in fulfilling the reporting requirements, particularly the Fiscal Operations Report (OE-1152) Parts I and IV, and 4) the proof of matching it provides under the SEOG Program.

These cards can be color-coded with tabs, i.e., red for BEOG, yellow for CWS, green for SEOG, blue for NDSL to facilitate sorting, counting, or adding to complete specific parts of the various reports.

In order to record all of the information required in reporting to the Office of Education, the institution may wish to complete a Mastercard for each student who files an application for aid, even though no aid is granted. A separate file of those not granted aid, set up in order of urgency of need, would help expedite granting of any additional funds that might become available and would be of assistance in required reporting.

For institutions that have installed electronic data processing equipment for recordkeeping purposes, the information recorded on the Student Mastercard can instead be stored in the computer. The essential consideration is that the *information* be available in some format that is easily retrievable for reporting and audit purposes; it is not essential to use the illustrated Mastercard.

EXHIBIT V

COLLEGE OF LEARNING — STUDENT MASTERCARD — IN-SCHOOL STUDENT

NAME:

LOCAL ADDRESS: PHONE:

SOCIAL SECURITY NUMBER:
PERMANENT ADDRESS: PHONE:

ENROLLMENT DATES:

ACADEMIC LEVEL: F SO J SR G1 G2 G3 G4

SOURCE OF RECRUITMENT:

HIGH SCHOOL TEST SCORES:
HIGH SCHOOL RANK:

SEX: RACE OR ETHNIC GROUP:

1. BEOG
Scheduled $
Expected $

CURRENT YEAR AWARDS 19 -19

PAYMENT DATE	PAYMENT AMOUNT	CWS AWARD $ TOTALS	CWS AWARD $ ON-CAMPUS	CWS AWARD $ OFF-CAMPUS	SEOG AWARD $ PAYMENTS	SEOG AWARD $ TYPE	NDSL AWARD $ ADVANCE ON LOAN DATE	NDSL AWARD $ ADVANCE ON LOAN AMOUNT	OTHER AWARDS AMOUNT	OTHER AWARDS SOURCE

OTHER ANNUAL INFORMATION

1 FAMILY INCOME $
2 NEED
3 BEOG SER REC'D : SENT TO OE
4 BEOG ELIGIBILITY INDEX
5 INDEPENDENT STUDENT YES NO

2. BEOG
Scheduled $
Expected $

CURRENT YEAR AWARDS 19 -19

PAYMENT DATE	PAYMENT AMOUNT	CWS AWARD $ TOTALS	CWS AWARD $ ON-CAMPUS	CWS AWARD $ OFF-CAMPUS	SEOG AWARD $ PAYMENTS	SEOG AWARD $ TYPE	NDSL AWARD $ ADVANCE ON LOAN DATE	NDSL AWARD $ ADVANCE ON LOAN AMOUNT	OTHER AWARDS AMOUNT	OTHER AWARDS SOURCE

OTHER ANNUAL INFORMATION

1 FAMILY INCOME $
2 NEED
3 BEOG SER REC'D : SENT TO OE
4 BEOG ELIGIBILITY INDEX
5 INDEPENDENT STUDENT YES NO

3. BEOG
Scheduled $
Expected $

CURRENT YEAR AWARDS 19 -19

PAYMENT DATE	PAYMENT AMOUNT	CWS AWARD $ TOTALS	CWS AWARD $ ON-CAMPUS	CWS AWARD $ OFF-CAMPUS	SEOG AWARD $ PAYMENTS	SEOG AWARD $ TYPE	NDSL AWARD $ ADVANCE ON LOAN DATE	NDSL AWARD $ ADVANCE ON LOAN AMOUNT	OTHER AWARDS AMOUNT	OTHER AWARDS SOURCE

OTHER ANNUAL INFORMATION

1 FAMILY INCOME $
2 NEED
3 BEOG SER REC'D : SENT TO OE
4 BEOG ELIGIBILITY INDEX
5 INDEPENDENT STUDENT YES NO

4. BEOG
Scheduled $
Expected $

CURRENT YEAR AWARDS 19 -19

PAYMENT DATE	PAYMENT AMOUNT	CWS AWARD $ TOTALS	CWS AWARD $ ON-CAMPUS	CWS AWARD $ OFF-CAMPUS	SEOG AWARD $ PAYMENTS	SEOG AWARD $ TYPE	NDSL AWARD $ ADVANCE ON LOAN DATE	NDSL AWARD $ ADVANCE ON LOAN AMOUNT	OTHER AWARDS AMOUNT	OTHER AWARDS SOURCE

OTHER ANNUAL INFORMATION

1 FAMILY INCOME $
2 NEED
3 BEOG SER REC'D : SENT TO OE
4 BEOG ELIGIBILITY INDEX
5 INDEPENDENT STUDENT YES NO

5. BEOG
Scheduled $
Expected $

CURRENT YEAR AWARDS 19 -19

PAYMENT DATE	PAYMENT AMOUNT	CWS AWARD $ TOTALS	CWS AWARD $ ON-CAMPUS	CWS AWARD $ OFF-CAMPUS	SEOG AWARD $ PAYMENTS	SEOG AWARD $ TYPE	NDSL AWARD $ ADVANCE ON LOAN DATE	NDSL AWARD $ ADVANCE ON LOAN AMOUNT	OTHER AWARDS AMOUNT	OTHER AWARDS SOURCE

BEOG PROGRAM YEAR	BEOG PROGRAM AMOUNT	COLLEGE WORK-STUDY PROGRAM YEAR	COLLEGE WORK-STUDY PROGRAM AMOUNT	COLLEGE WORK-STUDY PROGRAM YEAR	COLLEGE WORK-STUDY PROGRAM AMOUNT	SEOG PROGRAM YEAR	SEOG PROGRAM TYPE	SEOG PROGRAM AMOUNT	NATIONAL DIRECT STUDENT LOAN PROGRAM YEAR	NATIONAL DIRECT STUDENT LOAN PROGRAM AMOUNT	NATIONAL DIRECT STUDENT LOAN PROGRAM YEAR	NATIONAL DIRECT STUDENT LOAN PROGRAM AMOUNT	OTHER AWARDS YEAR	OTHER AWARDS SOURCE	OTHER AWARDS AMOUNT

(BACK OF STUDENT MASTERCARD)

NAME OF STUDENT					SOCIAL SECURITY NUMBER				
1. 19 -19 CWS AMOUNT OF AWARD $			PROJECT IDENTIFICATION		$ PER HOUR				
PAY PERIOD FROM	TO	TOTAL	CASH	NONCASH	PAY PERIOD FROM	TO	TOTAL	CASH	NONCASH
2. 19 -19 CWS AMOUNT OF AWARD $			PROJECT IDENTIFICATION		$ PER HOUR				
PAY PERIOD FROM	TO	TOTAL	CASH	NONCASH	PAY PERIOD FROM	TO	TOTAL	CASH	NONCASH
3. 19 -19 CWS AMOUNT OF AWARD $			PROJECT IDENTIFICATION		$ PER HOUR				
PAY PERIOD FROM	TO	TOTAL	CASH	NONCASH	PAY PERIOD FROM	TO	TOTAL	CASH	NONCASH
4. 19 -19 CWS AMOUNT OF AWARD $			PROJECT IDENTIFICATION		$ PER HOUR				
PAY PERIOD FROM	TO	TOTAL	CASH	NONCASH	PAY PERIOD FROM	TO	TOTAL	CASH	NONCASH

DATE

STUDENT NO LONGER IN ATTENDANCE

1. GRADUATED
2. TRANSFERRED
3. ACADEMIC PROBLEMS
4. FINANCIAL PROBLEMS
5. OTHER - STATE REASON:

DATE

STUDENT IN ATTENDANCE BUT NO LONGER ELIGIBLE FOR FINANCIAL AID. INELIGIBLE FOR:

BEOG - REASON:
CWS - REASON:
NDSL - REASON:
SEOG - REASON:

BEOG REFUND: DATE AMOUNT

CODING

FOR STUDENT MASTERCARD

Explanation of Codes:

A. Source of Recruitment:
   1. Upward Bound
   2. Educational Talent Search
   3. Disadvantaged student from high school
   4. Other

B. High School Test Scores:
   Insert actual number

C. High School Rank:
   1. Top quarter
   2. 2nd quarter
   3. 3rd quarter
   4. Bottom quarter

D. Race or Ethnic Group:
   1. Black
   2. American Indian or Alaskan Native
   3. Asian or Pacific Islander
   4. Hispanic
   5. White

E. Family Income:
   Insert actual amount

F. Need:
   Insert amount determined

G. BEOG Eligibility Index:
   Insert actual number

H. SEOG Grant Type:
   1. Initial year
   2. Continuing year

Out-of-School Students Register

If the accounting records are to perform the function of assisting in the management of the NDSL program as well as fulfilling the reporting requirements, some modification of the typical receivables ledger will be necessary. Since the program itself permits a grace period and permits deferral of loans for a number of reasons, it would appear that a single alphabetical ledger is not sufficient to provide the control mechanism needed. A cross reference file similar to the "loan status card" presented as Exhibit VI is recommended. The other basic file would be a financial data file. The loan status file should be set up strictly alphabetically with appropriate data to show the status of each loan at all times. The financial file would be broken down in sections based on the status of the loan.

The basic sections in the financial file would be as follows:

1. A current payment file subdivided by month in which the payment becomes due.

2. A grace period file subdivided by month in which the grace period ends.

3. A deferred status file subdivided by the type of deferment such as teacher, military service, VISTA, *etc.*, and further subdivided within these sections by the month that the deferred status ends.

4. A delinquent file subdivided by the number of months that the account is delinquent.

5. A paid file on an alphabetical basis.

Exhibit VI

LOAN STATUS CARD

Account No. _____

Name _____

Address _____

_____

Social Security No. _____

Current Status of Account

Date	Status
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Back of Card

Left School _____ Work Completed Elsewhere _____ Period of Grace Ends _____

School Attendance Elsewhere _____ From _____ To _____ Proof Established _____

_____ From _____ To _____ Proof Established _____

_____ From _____ To _____ Proof Established _____

Military Service, Peace Corps., Vista _____ From _____ To _____ Proof Established _____

_____ From _____ To _____ Proof Established _____

_____ From _____ To _____ Proof Established _____

Entered Teaching _____

Proof Established for Years _____

Payments Due:

The delinquent file can be further subdivided into those accounts which have been turned over to a collection agency and those accounts on which legal action is being undertaken by the institution.

The reasoning behind recommending that the financial file be subdivided in this manner is that it provides the basis for action on the file as well as providing some assistance in fulfilling the reporting requirements of the Federal government. For example, the billing to the borrower should be made directly from the file at the appropriate period of time prior to the due date of the payment. The appropriate letters necessary to indicate termination of the grace period and termination of deferred status could again be triggered by the reference to the appropriate month in the grace period deferred status file. The arrears and delinquency file, of course, would require intensive follow-up on each account in the file. At the end of each month, the current month portion of each file should be cleared out. For example, if an account is left in the current payment file for the current month, it has in fact become in arrears at the end of the month and would be transferred from the current file to the arrears and delinquent file with appropriate action being taken. The grace period and deferred status files would be cleared out with the cards being placed in the appropriate month section of the current payment file.

It is sometimes argued by posting clerks that a straight alphabetical file is much easier to work with. In fact, this is not necessarily true at all, assuming that the majority of payments coming in to the organization would be those on current payment status. Then the group of cards that the posting clerk would need to work with would be quite limited so that rather than fingering through a massive alphabetical file to find the account to be posted, the only accounts that would be needed would be the current month portion of the current payment file. Of course, any payments received on accounts not in the current payment file would represent payment on delinquent accounts or an advanced payment. To post this amount would require a reference to the alphabetical status file to determine where this account would be located. However, since there is a need to break down receipts between those for current payments and those for advanced or delinquent payments, this separation is still advantageous since failure to find the card in the current payment file would trigger the appropriate separation of the amounts posted as between current payments, advanced payments, or delinquent payments.

Using the Student Mastercard for the Fiscal Operations Report (OE 1152), Part I.

After the student cards have been posted and proved to the ledger control accounts they, along with the ledger control accounts, become the basis for completing the required reports to the Office of Education. The procedure for the completion of each line of the reports, using these cards and the ledger accounts, is described below. These references are to the 1975-76 report forms. See Exhibit VII pp. 40-47. Appropriate modifications will need to be made for changes in the report requirements.

First, the Mastercards for students presently receiving financial aid should be sorted, and all NDSL recipients' cards stacked out separately. Then, the NDSL cards are sorted again according to the race or ethnic group code on the card. A count of cards in each stack provides the data for the "recipients" block under NDSL, Section A. Summing the current dollar amounts on the cards will give the data for the "amount" block in Section A. The NDSL cards should then be re-sorted by sex, and the count of cards will give the data for Section B. Again, re-sorting the cards on the basis of family income, counting the cards in each stack and summing the appropriate dollar amounts will provide the data for Section C. A final re-sort of the NDSL cards into independent undergraduate and graduate will provide the data for columns (h) and (i) of the NDSL information in Section C.

The Mastercards for students participating in the NDSL program should be replaced with the other Mastercards, and then the Mastercards for students participating in the SEOG program should be sorted and stacked out separately. Sorting and re-sorting as above will provide the data needed for sections A, B, and C. The same will be done with CWS program recipients.

Now, all that remains for Part I is the unduplicated recipient counts and total dollar amounts spent. For Section A, *all* of the Mastercards for students participating in any one or any combination of the three programs are sorted by race or ethnic group. The number of unduplicated recipients (column a) will then be recorded. This total will probably be *less* than the sum of columns c + e + g as this is an unduplicated count. In no case can this total be *greater* than the sum of columns c + e + g. The dollar amounts currently spent on all three programs are summed for each stack of cards, and recorded in column b. The amount in column b for every line must equal the sum of columns d + f + h.

All of the Mastercards are now re-sorted by sex for the information needed for Section B. They are then all re-sorted again by family income to obtain data needed for Section C. Note carefully the instructions provided with Part I as to means of verifying your numbers by reference to numbers in other parts of your Fiscal Operations Report.

Exhibit VII

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
WASHINGTON, D.C. 20202

PLEASE READ INSTRUCTIONS BEFORE COMPLETING THIS FORM.

FORM APPROVED
OMB NO. 51-R0648

COMPLETE THIS PART ONLY AFTER ALL OTHER RELEVANT PARTS OF THIS REPORT HAVE BEEN COMPLETED.

1. SERIAL NUMBER *(DSFA)*

2. ENTITY NUMBER *(EN)*

1.

INSTITUTIONAL FISCAL-OPERATIONS REPORT FOR THE NATIONAL DIRECT STUDENT LOAN, SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS, AND COLLEGE WORK-STUDY PROGRAMS FOR FISCAL YEAR 1976

(July 1, 1975 - June 30, 1976)

PART I - GENERAL SECTION

Further monies or other benefits may, but not necessarily, be withheld under these programs unless this report is completed and filed as required by existing laws 20 U.S.C. 424, 1087cc - National Direct Student Loan Program; 20 U.S.C. 1070b; 20 U.S.C. 1232c - Supplemental Educational Opportunity Grants Program; and 42 U.S.C. 2754; 20 U.S.C. 1232c - College Work-Study Program.

2. NAME AND ADDRESS OF INSTITUTION *(Include city, State and ZIP code)*

3. COMPLETE THIS REPORT AND RETURN BY AUGUST 31, 1976 ALL COPIES BUT YOUR OWN TO:

U.S. Office of Education
Bureau of Postsecondary Education
Division of Student Financial Aid
Program Support Branch
Washington, D.C. 20202

SECTION A - NUMBER OF NDSL, SEOG, AND CWS AID RECIPIENTS AND AMOUNTS SPENT IN THESE PROGRAMS DURING FISCAL YEAR 1976 BY RACIAL/ETHNIC DISTRIBUTION

RACE OR ETHNIC GROUP	ADP USE	UNDUPLICATED TOTAL		NDSL		SEOG		CWS	
		RECIPIENTS a	AMOUNT b	RECIPIENTS c	AMOUNT d	RECIPIENTS e	AMOUNT f	RECIPIENTS g	AMOUNT h
1. BLACK *(not of Hispanic origin)*	1A010								
2. AMERICAN INDIAN OR ALASKAN NATIVE	1A020								
3. ASIAN OR PACIFIC ISLANDER	1A030								
4. HISPANIC	1A040								
5. WHITE *(not of Hispanic origin)*	1A050								
6. TOTAL *(sum of lines 1 through 5)*	1A060								

SECTION B - DISTRIBUTION OF AID RECIPIENTS BY SEX DURING FISCAL YEAR 1976

SEX	ADP USE	UNDUPLICATED NUMBER OF AID RECIPIENTS a	NDSL RECIPIENTS b	SEOG RECIPIENTS c	CWS RECIPIENTS d
1. MEN	1B010				
2. WOMEN	1B020				
3. TOTAL *(sum of lines 1 and 2)*	1B030				

OE FORM 1152-1, 5/76 REPLACES OE FORM 1152-1, 5/75, WHICH IS OBSOLETE

COPY 1 — OE FILE COPY

PART I - GENERAL SECTION *(continued)*	PLEASE READ INSTRUCTIONS BEFORE COMPLETING THIS FORM.	FORM APPROVED OMB NO. 51-R0643
NAME OF INSTITUTION	ADDRESS *(include city, State, and ZIP code)*	SERIAL NUMBER *(DSPA)*
		ENTITY NUMBER *(EN)* 1 -

SECTION C - NUMBERS OF AID RECIPIENTS AND AMOUNTS SPENT BY INCOME CATEGORY FOR UNDERGRADUATE DEPENDENT STUDENTS OR BY UNDERGRADUATE INDEPENDENT OR GRADUATE STATUS DURING FISCAL YEAR 1976

	ADP USE	TOTAL a	UNDERGRADUATE DEPENDENT						UNDER-GRADUATE INDEPEN-DENT h	GRADUATE i
			$0 TO $2,999 b	$3,000 TO $5,999 c	$6,000 TO $7,499 d	$7,500 TO $8,999 e	$9,000 TO $11,999 f	OVER $12,000 g		
NDSL										
1. RECIPIENTS	1C010									
2. AMOUNT LENT	1C020									
SEOG INITIAL YEAR										
3. RECIPIENTS	1C030									
4. AMOUNT SPENT	1C040									
SEOG CONTINUING										
5. RECIPIENTS	1C050									
6. AMOUNT SPENT	1C060									
CWSP										
7. RECIPIENTS	1C070									
8. AMOUNT SPENT	1C080									
TOTAL										
9. UNDUPLICATED NUMBER OF RECIPIENTS	1C090									
10. AMOUNT SPENT	1C100									

SECTION D - CERTIFICATION

WE CERTIFY that the information contained in this report is true and accurate to the best of our knowledge. We understand that these figures are subject to audit by representatives of the U.S. Commissioner of Education.

SIGNATURE OF DIRECTOR OF STUDENT FINANCIAL AID			SIGNATURE OF CHIEF FISCAL OFFICER		
TYPED NAME OF DIRECTOR		DATE SIGNED	TYPED NAME OF CHIEF FISCAL OFFICER		DATE SIGNED
AREA CODE	TELEPHONE NUMBER	EXTENSION	AREA CODE	TELEPHONE NUMBER	EXTENSION

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form may be subject to a fine of up to $10,000 or to imprisonment of up to 5 years or to both under provisions of the United States Criminal Code. Such provisions may include, among others, 18 U.S.C. 1001.

OE FORM 1153-1, 6/76 REPLACES OE FORM 1153-1, 5/75, WHICH IS OBSOLETE

COPY 1 — OE FILE COPY

PART II - NATIONAL DIRECT STUDENT LOAN PROGRAM	PLEASE READ INSTRUCTIONS BEFORE COMPLETING THIS FORM.	FORM APPROVED OMB NO. 51-R0043
NAME OF INSTITUTION	ADDRESS *(include ZIP code)*	SERIAL NUMBER *(DSFA)*
		ENTITY NUMBER *(EN)* 1-

SECTION A - FISCAL REPORT *(CUMULATIVE)* AS OF JUNE 30, 1976

NDSLP ACCT. NO.	ITEM a		ADP USE	NO. OF BORROWERS b	DEBIT BALANCES c	CREDIT BALANCES d
1	CASH ON HAND AND IN DEPOSITORY		2A010		$	
2	FUNDS RECEIVABLE FROM FEDERAL GOVERNMENT		2A020		$	
3	FUNDS RECEIVABLE FROM INSTITUTION		2A030		$	
4	FUNDS ADVANCED TO STUDENTS		2A040		$	
5	LOAN PRINCIPAL COLLECTED		2A050			$
6	LOAN PRINCIPAL CANCELLED ON LOANS MADE PRIOR TO JULY 1, 1972 *(control)*		2A060			$
6.1	TEACHING SERVICE - 10% RATE	$	2A061			
6.2	TEACHING SERVICE - 15% RATE	$	2A062			
6.3	MILITARY SERVICE - 12-1/2% RATE	$	2A063			
7	LOAN PRINCIPAL CANCELLED ON LOANS MADE JULY 1, 1972 AND AFTER *(control)*		2A070			$
7.1	TEACHING SERVICE - 15% RATE	$	2A071			
7.2	TEACHING SERVICE - 20% RATE	$	2A072			
7.3	TEACHING SERVICE - 30% RATE	$	2A073			
7.4	MILITARY SERVICE - 12-1/2% RATE	$	2A074			
8	LOAN PRINCIPAL CANCELLED - DEATH		2A080			$
9	LOAN PRINCIPAL CANCELLED - DISABILITY		2A090			$
10	LOAN PRINCIPAL CANCELLED - BANKRUPTCY		2A100			$
11	LOAN PRINCIPAL ADJUSTMENTS - OTHER		2A110			$
12	FEDERAL CAPITAL CONTRIBUTIONS AUTHORIZED		2A120			$
13	REPAYMENTS OF FUND CAPITAL TO FEDERAL GOVERNMENT		2A130		$	
14	INSTITUTIONAL CAPITAL CONTRIBUTIONS		2A140			$
15	REPAYMENTS OF FUND CAPITAL TO INSTITUTION		2A150		$	
16	INTEREST INCOME ON LOANS		2A160			$
17	OTHER INCOME		2A170			$
18	REIMBURSEMENTS TO THE FUND OF AMOUNTS CANCELLED ON LOANS MADE JULY 1, 1972, AND AFTER		2A180			$
19	COSTS OF LITIGATION, ADMINISTRATIVE EXPENSES, AND OTHER COLLECTION COSTS *(control)*		2A190		$	
19.1	COSTS OF LITIGATION	$	2A191			
19.2	ADMINISTRATIVE EXPENSES	$	2A192			
19.3	OTHER COLLECTION COSTS	$	2A193			
20	COST OF LOAN PRINCIPAL AND INTEREST CANCELLED FOR TEACHING SERVICE ON LOANS MADE PRIOR TO JULY 1, 1972		2A200		$	
21	COST OF LOAN PRINCIPAL AND INTEREST CANCELLED FOR MILITARY SERVICE ON LOANS MADE PRIOR TO JULY 1, 1972		2A210		$	
22	COST OF LOAN PRINCIPAL AND INTEREST CANCELLED FOR TEACHING SERVICE ON LOANS MADE JULY 1, 1972, AND AFTER		2A220		$	
23	COST OF LOAN PRINCIPAL AND INTEREST CANCELLED FOR MILITARY SERVICE ON LOANS MADE JULY 1, 1972, AND AFTER		2A230		$	
24	COST OF LOAN PRINCIPAL AND INTEREST CANCELLED BECAUSE OF DEATH		2A240		$	
25	COST OF LOAN PRINCIPAL AND INTEREST CANCELLED BECAUSE OF DISABILITY		2A250		$	
26	COST OF LOAN PRINCIPAL AND INTEREST CANCELLED BECAUSE OF BANKRUPTCY		2A260		$	
27	OTHER COSTS OR LOSSES *(Specify)*		2A270		$	
28	**TOTAL DEBITS AND CREDITS** *(sum of lines 1 through 27)*		2A280		$	$

OE FORM 1152-2, 6/76 REPLACES OE FORM 1152-2, 5/75, WHICH IS OBSOLETE

COPY 1 — OE FILE COPY

PART II - NATIONAL DIRECT STUDENT LOAN PROGRAM *(continued)*	PLEASE READ INSTRUCTIONS BEFORE COMPLETING THIS FORM.	FORM APPROVED OMB NO. 51-R0643
		SERIAL NUMBER *(DSFA)*
NAME OF INSTITUTION	ADDRESS *(Include ZIP code)*	ENTITY NUMBER *(EN)* 1-

SECTION B - FISCAL INFORMATION *(ANNUAL)* FOR THE PERIOD JULY 1, 1975 THROUGH JUNE 30, 1976

	ADP USE	
1. FEDERAL CAPITAL CONTRIBUTION AUTHORIZED	2B010	$
2. FEDERAL CAPITAL CONTRIBUTION DEPOSITED OR REQUESTED BY JUNE 30, 1976	2B020	$
3. PERCENT OF AUTHORIZED FEDERAL CAPITAL CONTRIBUTION DEPOSITED OR REQUESTED BY JUNE 30, 1976 *(line 2 divided by line 1 times 100)*	2B030	%
4. AMOUNT OF AUTHORIZED FEDERAL CAPITAL CONTRIBUTION NOT REQUESTED BY JUNE 30, 1976 *(line 1 minus line 2)*	2B040	$
5. FUNDS ADVANCED TO STUDENTS IN FISCAL YEAR 1976	2B050	$
6. ADMINISTRATIVE EXPENSE ALLOWANCE FOR FISCAL YEAR 1976 *(generally may not exceed 3 percent of line 5, see instructions)*	2B060	$
7. NUMBER OF FIRST-TIME BORROWERS IN FISCAL YEAR 1976	2B070	#

8. REMARKS

FORM APPROVED, OMB NO. 51-R0643

PART II - NATIONAL DIRECT STUDENT LOAN PROGRAM *(continued)*

PLEASE READ INSTRUCTIONS BEFORE COMPLETING THIS FORM.

SERIAL NUMBER *(DSFA)*

NAME OF INSTITUTION

ADDRESS *(Include ZIP code)*

ENTITY NUMBER *(EN)*

1-

SECTION C - CUMULATIVE REPAYMENT INFORMATION AS OF JUNE 30, 1976

STATUS OF BORROWERS AS OF JUNE 30, 1976	ADP USE	NUMBER OF BORROWERS a	AMOUNT LENT b	PRINCIPAL AMOUNT REPAID OR CANCELLED c	PRINCIPAL AMOUNT OUTSTANDING d	PRINCIPAL AMOUNT PAST DUE e	PRINCIPAL AMOUNT IN DEFERRED STATUS f
1. TOTAL NUMBER OF BORROWERS AND AMOUNT ADVANCED	2C010						
2. BORROWERS WHOSE LOANS ARE FULLY RETIRED	2C020						
3. TOTAL BORROWERS NOT IN REPAYMENT STATUS *(sum of lines 3.1 through 3.4)*	2C030						
3.1 STUDENT STATUS AT YOUR INSTITUTION	2C031						
3.2 STUDENT STATUS AT ANOTHER INSTITUTION	2C032						
3.3 GRACE PERIOD	2C033						
3.4 DEFERMENT	2C034						
4. BORROWERS ON SCHEDULE IN REPAYMENT STATUS	2C040						
5. BORROWERS WHOSE ACCOUNTS ARE CURRENTLY PAST DUE - BY LENGTH OF TIME THAT ACCOUNT IS PAST DUE							
5.1 120 DAYS OR LESS	2C051						
5.2 121 DAYS UP TO ONE YEAR	2C052						
5.3 MORE THAN 1 YEAR UP TO 2 YEARS	2C053						
5.4 MORE THAN 2 YEARS UP TO 3 YEARS	2C054						
5.5 MORE THAN 3 YEARS UP TO 4 YEARS	2C055						
5.6 MORE THAN 4 YEARS UP TO 5 YEARS	2C056						
5.7 MORE THAN 5 YEARS	2C057						
5.8 *TOTAL ACCOUNTS DELINQUENT* *(sum of lines 5.2 through 5.7)*	2C058						
5.9 *TOTAL ACCOUNTS PAST DUE* *(sum of lines 5.1 and 5.8)*	2C059						

OE FORM 1152-2, 6/76

REPLACES OE FORM 1152-2, 5/75, WHICH IS OBSOLETE

COPY 1 — OE FILE COPY

PART II - NATIONAL DIRECT STUDENT LOAN PROGRAM *(continued)*	PLEASE READ INSTRUCTIONS BEFORE COMPLETING THIS FORM.	FORM APPROVED OMB NO. 51-R0643
NAME OF INSTITUTION	ADDRESS *(Include ZIP code)*	SERIAL IDENTIFIER (DSFA) ENTITY NUMBER (EN) 1-

SECTION D - COLLECTION ACTIVITIES AS OF JUNE 30, 1976	ADP USE	
1. INDICATE WHETHER OR NOT YOUR INSTITUTION CURRENTLY FOLLOWS THE COLLECTION PROCEDURES IN APPENDIX 17 OF THE NDSL MANUAL.	2D010	☐ YES ☐ NO
2. INDICATE WHETHER OR NOT YOUR INSTITUTION USES THE SERVICES OF A BILLING AGENCY. IF "YES," ENTER THE NAME AND ADDRESS OF THE AGENCY IN THE REMARKS SECTION BELOW.	2D020	☐ YES ☐ NO
3. INDICATE WHETHER OR NOT YOUR INSTITUTION USES THE SERVICES OF A COLLECTION AGENCY. IF "YES," ENTER THE NAME AND ADDRESS OF THE AGENCY IN THE REMARKS SECTION BELOW, AND DESCRIBE THE RATE STRUCTURE FOR COMMISSIONS USED BY THE AGENCY.	2D030	☐ YES ☐ NO

If you answered "YES" to line 3 above, complete lines 4 through 10 below. If you answered "NO" to line 3 above, complete lines 7 through 10.

	ADP USE	NUMBER OF BORROWERS a	AMOUNT b
4. DELINQUENT ACCOUNTS CURRENTLY ASSIGNED TO THE AGENCY INDICATED IN LINE 3 ABOVE	2D040		$
5. AMOUNT COLLECTED DURING FISCAL YEAR 1976 ONLY BY THE AGENCY INDICATED IN LINE 3 ABOVE	2D050		$
6. AMOUNT PAID TO THE COLLECTION AGENCY AS ITS FEE FOR THE AMOUNTS INDICATED IN LINE 5 ABOVE	2D060		$
7. DELINQUENT ACCOUNTS CURRENTLY IN LEGAL PROCEEDINGS	2D070		$
8. BORROWERS WITH WHOM YOU HAVE LOST CONTACT	2D080		$
9. PRINCIPAL AMOUNT COLLECTED DURING FISCAL YEAR 1976	2D090		$
10. PRINCIPAL AMOUNT DUE AND COLLECTIBLE AS OF JUNE 30, 1976 *(cumulative)*	2D100		$

11. REMARKS

PART III - SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS PROGRAM

PLEASE READ INSTRUCTIONS BEFORE COMPLETING THIS FORM.

FORM APPROVED OMB NO. 51-R0643

NAME OF INSTITUTION

ADDRESS *(Include ZIP code)*

SERIAL NUMBER *(DSFA)*

ENTITY NUMBER *(EN)*
1-

AMOUNT SPENT IN THE SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS PROGRAM DURING FISCAL YEAR 1976		ADP USE	INITIAL YEAR a	CONTINUING YEAR b	TOTAL *(a plus b)* c
1. ORIGINAL SEOG AUTHORIZATION		3A010	$	$	$
2. ADJUSTMENT TO ORIGINAL AUTHORIZATION	2.1 SUPPLEMENTAL AWARD	3A021	$	$	$
	2.2 RELEASE OF FUNDS	3A022	$	$	$
3. FINAL ADJUSTED SEOG AUTHORIZATION		3A030	$	$	$
4. AMOUNT TRANSFERRED FROM CWS AND SPENT IN SEOG		3A040	$	$	$
5. AMOUNT SPENT FOR AWARDS TO STUDENTS		3A050	$	$	$
6. ADMINISTRATIVE EXPENSE ALLOWANCE *(not to exceed 3 percent of line 5)*		3A060	$	$	$
7. SEOG AMOUNT TRANSFERRED TO AND SPENT IN CWS		3A070	$	$	$
8. *TOTAL EXPENDITURES FROM SEOG AUTHORIZATION (sum of lines 5, 6, and 7 minus line 4)*		3A080	$	$	
9. UNEXPENDED SEOG AUTHORIZATION *(line 3 minus line 8)*		3A090	$	$	
10. PERCENT OF FINAL ADJUSTED AUTHORIZATION WHICH WAS EXPENDED DURING FISCAL YEAR 1976 *(line 8 divided by line 3 times 100)*		3A100	%	%	

		ADP USE	AMOUNT
11. INTEREST EARNED BY SEOG FUNDS DURING FISCAL YEAR 1976		3A110	$
12. NUMBER OF INITIAL YEAR RECIPIENTS DURING FISCAL YEAR 1976		3A120	#
13. NUMBER OF CONTINUING YEAR RECIPIENTS DURING FISCAL YEAR 1976		3A130	#
14. ELIGIBLE MATCHING FUNDS PROVIDED TO SEOG RECIPIENTS IN FISCAL YEAR 1976	a. BASIC EDUCATIONAL OPPORTUNITY GRANTS PROGRAM	3A140	$
	b. NATIONAL DIRECT STUDENT LOAN PROGRAM		$
	c. COLLEGE WORK-STUDY PROGRAM		$
	d. INSTITUTIONAL AID *(all types)*		$
	e. OTHER AID *(eligible outside sources)*		$
	f. *TOTAL (must be equal to or greater than line 5, column c above, see instructions) (sum of lines a through e)*		$

15. REMARKS

PART IV - COLLEGE WORK STUDY PROGRAM

PLEASE READ INSTRUCTIONS BEFORE COMPLETING THIS FORM.

FORM APPROVED OMB NO. 51-R0643

NAME OF INSTITUTION

ADDRESS *(Include ZIP code)*

SERIAL NUMBER *(DSFA)*

ENTITY NUMBER *(EN)* 1-

AMOUNT SPENT IN THE COLLEGE WORK-STUDY PROGRAM DURING FISCAL YEAR 1976		ADP USE	AMOUNT
1. ORIGINAL CWS AUTHORIZATION		4A010	$
2. ADJUSTMENT TO ORIGINAL AUTHORIZATION	2.1 SUPPLEMENTAL AWARD	4A021	$
	2.2 RELEASE OF FUNDS	4A022	
3. FINAL ADJUSTED CWS AUTHORIZATION		4A030	$
4. AMOUNT TRANSFERRED FROM SEOG AND SPENT IN CWS		4A040	$
5. TOTAL EARNED COMPENSATION		4A050	$
6. INSTITUTIONAL SHARE		4A060	$
7. FEDERAL SHARE		4A070	$
8. ADMINISTRATIVE EXPENSE ALLOWANCE *(not to exceed 3 percent of line 5)*		4A080	$
9. CWS AMOUNT TRANSFERRED TO AND SPENT IN SEOG		4A090	$
10. *TOTAL FEDERAL EXPENDITURES FROM CWS AUTHORIZATION (sum of lines 7, 8, and 9 minus line 4)*		4A100	$
11. UNEXPENDED CWS AUTHORIZATION *(line 3 minus line 10)*		4A110	$
12. PERCENT OF FINAL ADJUSTED AUTHORIZATION WHICH WAS EXPENDED DURING FISCAL YEAR 1976 *(line 10 divided by line 3 times 100)*		4A120	%
13. INTEREST EARNED		4A130	$
14. NUMBER OF STUDENTS EMPLOYED UNDER THE CWSP FOR THE FIRST TIME DURING FISCAL YEAR 1976		4A140	#

REPORT OF ON-CAMPUS AND OFF-CAMPUS EMPLOYMENT DURING FISCAL YEAR 1976 *(July 1, 1975 through June 30, 1976)*	ADP USE	NUMBER OF STUDENTS a	FEDERAL SHARE b
15. ON-CAMPUS EMPLOYMENT	4A150	#	$
16. OFF-CAMPUS EMPLOYMENT	4A160	#	$

17. REMARKS

OE FORM 1152-4, 8/76 REPLACES OE FORM 1152-4, 8/75, WHICH IS OBSOLETE

COPY 1 — OE FILE COPY

Source of Information for Fiscal Operations Report (OE 1152), Part IV, CWS.

The CWS columns on the Student Mastercard are subsidiary accounts to accounts #7.1 and #7.2, depending upon whether the student is working on or off campus. (Note: An individual earnings record card similar to the one shown as the back of the Mastercard will be needed to record the detail payroll information. Once per quarter the earnings should be summarized on each individual earnings record card and transferred to the front of the Student Mastercard.)

The total of the current year awards for all of the students under the CWS program should not exceed the total of grant authorization as shown in the DFAFS ledger plus the amount of institutional matching, except in those situations where past history would indicate that the students will not work a sufficient amount to earn the total award. The current year award amount should in actuality be a control over the amount of gross earnings for the student. If his rate of earnings is such that the year award will be exceeded during the time that he is expected to work, adjustments in his work schedule would be needed.

These cards should be separated between those on campus and off, and the total earnings for the quarter for each group determined. This total should be compared to the amount in the CWS ledger controls #7.1 and #7.2.

Assuming that this card has been completed and balanced to the CWS ledger control accounts for the year, the following bases could be used to complete Part IV, CWS information.

Line 1	Amount is shown on original award letter for the period.
Line 2	Subsidiary to DFAFS account #2 would show this amount added to unexpended CWS authorization.
Line 3	Must be equal to line 1 plus line 2.1
Line 4	Subsidiary to DFAFS account #2 would show this amount added to unexpended CWS authorization account. See illustrated entry SS (page 33) for basis for this information.
Line 5	This is the sum of accounts #7.1 and #7.2 in the CWS ledger. Equals Part I, Section A, Line 6h.
Line 6	This is the sum of accounts #6.1, #6.2, and #6.3 in the CWS ledger.
Line 7	Subtract line 6 from line 5. Should not exceed 80% of line 5
Line 8	Account #8 in the CWS ledger.
Line 9	Subsidiary to DFAFS account #2 would show this amount added to unexpended SEOG authorization account (and deducted from CWS authorization account). See illustrated entry SS (page 33) for the basis for this information.
Line 10	Sum of lines 7 + 8 + 9, less line 4.
Line 11	Line 3, less line 10. Balance of CWS subsidiary to DFAFS account #2.
Line 12	Self explanatory.
Line 13	Very seldom will information be recorded here. See instructions for Part IV of the Fiscal Operations Report for necessary details.
Line 14	This number can be obtained by sorting out the students who are in the CWS program this year. This group would then be sorted to remove all students who had previously participated in CWS. (The prior year information would indicate this.) A count of the remaining cards will give the number of students participating in the program for the first time this year.

Lines 15 & 16	Part *a* is a student count. The students participating in CWS should be sorted between on and off-campus and the number in each group counted. Part *b* can be obtained by adding the gross pay for off-campus students and multiplying that by the percentage paid from Federal funds (typically 80%). This gives the amount for 16b. Subtracting this amount from line 7 gives the amount for 15b.

Source of Information for Fiscal Operations Report (OE 1152) Part III, SEOG.

The SEOG section of the Student Mastercard, if posted up to date on a current basis and balanced against the appropriate accounts in the SEOG ledger control, will provide the basis for the completion of Fiscal Operations Report for the SEOG program. As soon as grants have been made to the students for the academic year, the current year award type and amounts should be entered on the Student Mastercard. These then should be sorted by type of award, added together and compared to the amount of grant authorization as shown in the DFAFS ledger. Any differences between the amount of awards and the balances in these accounts should be reconciled and noted. During the year as advances are made to the students, the date, type, and amount of advance should be entered on the Student Mastercard. The amount of advances on grants should be totaled by type of grant and reconciled to accounts #5 and #6.

It should be noted that the NDSL, CWS BEOG, and other aid columns on the Student Mastercard provide the basis for proof of adequate matching.

At the end of the year after the amount of advances on grants has been totaled and reconciled to accounts #5 and #6, the Mastercard becomes the basis for completion of OE Form 1152, Part III, as follows:

Line 1	Amount is shown on original award letter for the period.
Line 2	Subsidiary to DFAFS account #2 would show the amount added to the unexpended SEOG authorization.
Line 3	Amount is shown on most recent award letter for the period. The sum of lines #1, #2.1 and #2.2.
Line 4	Subsidiary to DFAFS account #2 would show the amount added to unexpended SEOG authorization account. See illustrated entry SS (page 33) for basis for this information.
Line 5	This is the sum of accounts #5 and #6 in the SEOG ledger. Will agree with Part I, Section A, Line 7f.
Line 6	Account #7 in SEOG ledger.
Line 7	Subsidiary to DFAFS account #2 would show this amount added to unexpended CWS authorization account (and deducted from SEOG authorization account). See illustrated entry SS (page 33) for basis for this information.
Line 8	Sum of lines 5 + 6 + 7, less line 4.
Line 9	Line 3, less line 8. Balance of SEOG subsidiary to DFAFS account #2.
Line 10	Self explanatory.
Line 11	Any interest earned on SEOG funds will be entered here. Under the present cash management system, the institution will be unlikely to have an entry on this line, as there will probably be no idle funds available to earn interest.
Lines 12 & 13	Count the Student Mastercards for all current recipients of SEOG funds. Will agree with Part I, Section A, Line 6e.
Line 14, a-f	Can be completed from an analysis of Student Mastercard BEOG, NDSL, CWS and other aid columns.

Source of Information for Fiscal Operations Report (OE 1152), Part II, NDSL.

The two phases of the NDSL program, namely, the in-school period while the student is receiving advances on loans and the out-of-school phase while a student is in the process of repaying or working off the loan, are very substantially different. For this reason it is recommended that the general ledger control accounts for funds advanced to students be divided into two accounts: (1) funds advanced to students in school, (2) funds advanced to students out-of-school. The Student Mastercard then becomes the subsidiary ledger for the funds advanced to students in-school, and a second set of cards would be set up and become subsidiary to the funds advanced to students out-of-school. At the end of each school year each student who had left school, for whatever reason, would be identified and the total of all the NDSL loans advanced to that student during his stay at the institution would be added together and the amount transferred from NDSL account #4a to NDSL account #4b, and a subsidiary ledger card established for each student. At the end of each quarter, preferably once a month, the in-school Student Mastercards would be analyzed and the total of the prior year loan amounts plus advances on current year loans would be added together and the total reconciled to account #4a, Funds Advanced to Students-In School. Similarly, the balance due from students in the file for out-of-school students would be added together and reconciled in the total shown in account #4b, reduced by the amounts in account #5 to #11.

After these two sets of cards have been proved to the general ledger control at the end of the fiscal year, these two sets of cards plus the general ledger control accounts will provide the basis for the completion of OE Form 1152, Part II, as follows, for Section A:

Line 1	From NDSL ledger control account 1.
Line 2	From NDSL ledger account 2.
Line 3	From NDSL ledger account 3.
Line 4	From the sum of NDSL ledger control accounts 4a and 4b. The number of borrowers will be obtained by a count of the in-school Mastercards on which NDSL advances are recorded, plus a count of the out-of-school ledger cards.
Line 5	From NDSL ledger control account 5. The number of borrowers will be obtained by a count of the number of out-of-school cards on which collection entries have been made.
Line 6	From NDSL ledger accounts 6.1 plus 6.2 plus 6.3.
Line 6.1	From NDSL ledger account 6.1.
Line 6.2	From NDSL ledger account 6.2. The number of borrowers for lines 6-11 will be obtained from a count made from the cancellation journal.
Line 6.3	From NDSL ledger account 6.3.
Line 7	From NDSL ledger accounts 7.1 plus 7.2 plus 7.3 plus 7.4.
Line 7.1	From NDSL ledger account 7.1.
Line 7.2	From NDSL ledger account 7.2.
Line 7.3	From NDSL ledger account 7.3.
Line 7.4	From NDSL ledger account 7.4.
Line 8	From NDSL ledger account 8.
Line 9	From NDSL ledger account 9.
Line 10	From NDSL ledger account 10.
Line 11	From NDSL ledger account 11.

Line 12	From NDSL ledger account 12.
Line 13	From NDSL ledger account 13.
Line 14	From NDSL ledger account 14.
Line 15	From NDSL ledger account 15.
Line 16	From NDSL ledger account 16.
Line 17	From NDSL ledger account 17.
Line 18	From NDSL ledger account 18.
Line 19	From NDSL ledger accounts 19.1 plus 19.2 plus 19.3.
Line 19.1	From NDSL ledger account 19.1.
Line 19.2	From NDSL ledger account 19.2.
Line 19.3	From NDSL ledger account 19.3.
Line 20	From NDSL ledger account 20.
Line 21	From NDSL ledger account 21.
Line 22	From NDSL ledger account 22.
Line 23	From NDSL ledger account 23.
Line 24	From NDSL ledger account 24.
Line 25	From NDSL ledger account 25.
Line 26	From NDSL ledger account 26.
Line 27	From NDSL ledger account 27.

Section B:

Line 1	Amount shown on current NDSL allocation letter.
Line 2	A computed amount, equal to cash received from the Federal government during the year for the NDSL fund, *plus* the amount requested from DFAFS as of June 30, although not received as of June 30.
Line 3	Self explanatory.
Line 4	Line 1, less line 2. Should equal final balance in subsidiary account to DFAFS account #2 for current NDSL program authorization.
Line 5	Can be determined by sorting out all Student Mastercards for NDSL participants. Total the current year advances for all such recipients, and enter on line 5. Will agree with Part I, Section A, Line 6d. (Keep these Mastercards out for later use)
Line 6	NDSL account #19.2. Current balance, less balance at 6/30 last year, should equal amount paid to institution during current year.
Line 7	Count first-time borrowers shown on Student Mastercard obtained for use on line 5.

Section C:

Line 1a	Memorandum records will be needed to keep track of total number of borrowers since inception of program.
Line 1b	Balance in NDSL accounts #4a + #4b.
Line 1c	Sum of balances in NDSL accounts #5 through #11, the "Asset Reduction" accounts.
Line 1d	Line 1b less Line 1c.
Lines 1e & 1f	The Out-of-School Ledger will provide the amount needed here. Add only the past due amounts on the cards for line 1e, and only the deferred status amounts on the cards for line 1f.
Line 2	The "paid" file will provide both number of borrowers and amount originally lent.
Line 3.1	The Student Mastercard for NDSL participants will provide information needed here.
Lines 3.2–3.4	The Out-of-School Ledger will have the information needed for these three lines.
Line 4	The Out-of-School Ledger will have the information needed here.
Lines 5.1–5.9	Assuming the Out-of-School Ledger is designed as recommended, these data can be obtained from a card-count in the appropriate categories, and from the total of principal amount outstanding and principal amount past due.

Section D:

Lines 1-3	Self-explanatory
Lines 4-10	Can be obtained by analysis of the cards in the past due file.

USING THE STUDENT MASTERCARD AND THE LEDGER ACCOUNTS FOR THE BEOG PROGRESS REPORT

The BEOG Progress Report is duplicated at Exhibit VIII. After the Student Mastercards have been posted and proved to the ledger control accounts they, along with the ledger control accounts, become the basis for completing the required reports to the Office of Education. The procedure for completion of each section of the Progress Report is described below. These references are to the 1977-78 report form. Appropriate modifications will need to be made for changes in the report requirements.

The BEOG ID No. and the EIN No. should be copied directly from the BEOG Authorization Letter, to insure accuracy in the filing process. The filing date will be appropriately recorded-report to be filed by the 15th of the month following October 31, February 28, and June 30. Ad hoc reports may be filed at any time other than the regular filing dates, but should be used only if absolutely necessary to the proper functioning of the program at your institution.

Section I of the report is self explanatory. A key item to watch is line 10, where the institution indicates if there have been no BEOG recipients year-to-date and none are expected for the remainder of the year.

Section II of the report is also self explanatory and can be completed from memorandum records filed within the institution. It is essential that all actual and estimated information be provided for this section, which should be completed only on the first Progress Report submitted each academic year.

Exhibit VIII

Institutional **PROGRESS REPORT** for
Basic Educational Opportunity Grants

Academic Year 1977-78

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
Washington, D.C. 20202

PLEASE read instructions before completing this form

FORM APPROVED
OMB NO. 51-R0883

(1-8) 1. BEOG ID NO.
(17-9) 2. EIN NO.
(19-30)

(31) 3. Report for: (Check One Box Only)
1 ☐ Oct. 31 2 ☐ Feb. 28 3 ☐ June 30
4 ☐ AD HOC Request for Change in current OE Approved Authorization
(To Be Used Between Reporting Periods)

4. Institution NAME and ADDRESS

(28) ☐ Check here when NAME and/or ADDRESS has changed and indicate changes below

(29-34) 5. Date of Submission: ____/____/____ mo. day year

(35) 6. Accreditation Status:
Specify Agency _____
Status: 1 ☐ Fully Accredited
2 ☐ Candidate
3 ☐ Correspondent
OR
4 ☐ "3 Letters"

Official responsible for this PROGRESS REPORT (Sign item 30)
5. Name
6. Title
7. Phone

(36) 10. ☐ Check here if NO BEOG recipients are expected at this institution. PLEASE return this report for USOE records.

(37) 11. Type of Institution:
1 University
2 Other 4-year
3 2-year
4 At least 1 year, but less than 2 year
5 At least 6 months, but less than 1 year

(38) 12. Control
1 Public
2 Private, non-profit
3 Private, profit making

(39-41) 13. U.S. Congressional District:

	1977-78 Undergraduate Enrollment	Percent Living On-Campus
(42-47)	14. A. Full-time	(48-50) B. Full-time: %
(51-56)	15. A. Part-time	(57-59) B. Part-time %

(60-66) 16. No. of 1977-78 part-time BEOG recipients

(67-68) 17. Length of Academic Year (from 7/1/77 to 6/30/78) or equivalent on which charges below are based
months

(31) 18. Average Institutional Charges per Full-time Undergraduate Student For 1977-78

(9-16)	Tuition and Fees (In-State)	A. $
(17-24)	Room (On-Campus)	B. $
(25-32)	Board (On-Campus)	C. $

For 1978-79 (Estimated)

(33-40)	Tuition and Fees (In-State)	D. $
(41-48)	Room (On-Campus)	E. $
(49-56)	Board (On-Campus)	F. $

			Amount (A)	No. of BEOG Recipients (B)
19. Gross Expenditures (actual payments to students to date)	(57-64)	19.	$	(17-24)
20. Less Recoveries (to date)	(25-32)	20.	$	(33-40)
21. Net Expenditures	(41-48)	19 - 20 = 21.	$	
ESTIMATED DEMAND FOR ADDITIONAL FUNDS (for remainder of academic year)	(57-64)	22.	$	
22. Amount for Present Recipients				
23. Amount for Additional Recipients Expected to Qualify	(65-72)	23.	$	(73-80)
24. Total Estimated Expenditures and Recipients	(57-64)	21 + 22 + 23 = 24A.	$	
(for ENTIRE academic year 7/1/77-6/30/78)		19B + 23B = 24B.		(17-24)
25. Current OE Approved Authorization per USOE records as of:	(25-32)	25.	$	
26. Institution's Estimated Authorization Adjustment	(33-40)	24 - 25 = 26.	$	

(circle one)

27. Number of Student Eligibility Reports Previously Submitted	(41-48) 27.	
28. Number of Student Eligibility Reports Submitted with this Report	(49-56) 28.	
29. Total Number of Student Eligibility Reports Submitted	(57-64) 27 + 28 = 29.	

30. SIGNATURE: _____

(20 USC 1070a, 45 CFR 190.81) OE FORM 258-3, 6/77 PREVIOUS EDITION IS OBSOLETE **USOE COPY 2 - FILE**

Section III of the report can be completed, using data from the accounts and from the Student Mastercards, as follows:

Line 19A	BEOG account #3. Sum of the debit entries, on a cumulative basis since the beginning of the current fiscal year.
Line 19B	BEOG portion of Student Mastercard. Sort out the cards of those students participating currently in the BEOG program, and count those cards. This will represent the unduplicated count needed.
Line 20A	BEOG account #3. Sum of the credit entries on a cumulative basis since the beginning of the current fiscal year.
Line 20B	The recipients who have refunded money to the BEOG accounts should have the amount refunded indicated on the back of their Mastercard. A count of these cards will give the recipient count needed.
Line 21A	Line 19 less line 20. This should be the current balance in BEOG account #3.
Line 22A	On the Student Mastercards, the total amount of BEOGs awarded to the students, less the amount paid to date, represents the amount needed for present recipients.
Line 23A	This is an estimate based on expected *new* BEOG recipients for the remainder of the academic year.
Line 23B	An estimate of the number of students represented by the estimated dollar amount on Line 23A.
Line 24A	Lines 21A + 22A + 23A.
Line 24B	Lines 19B + 23B.
Line 25A	This is the BEOG authorized amount from the *most recent* Authorization Letter.
Line 26A	Line 24A less line 25A. Be sure to indicate whether the difference is positive (+) or negative (-) by circling the appropriate sign.
Line 27	The Student Mastercard will show, in the current year information section, the number of Student Eligibility Reports previously submitted to OE.
Line 28	A count of the new Student Eligibility Reports will provide the data needed here. Be sure, after this count is made, that the information is recorded also on the proper Student Mastercard.
Line 29	Lines 27 + 28.

RECIPIENT REPORT OF EXPENDITURES (ROE)

(to DFAFS, not OE)

Under all of the Federally funded student financial aid programs, funds are disbursed through the DHEW Federal Assistance Financing System (DFAFS). Many of the institutions have other DFAFS-disbursed grants which are included in their dealings with DFAFS; this material deals primarily with CWS, SEOG, BEOG, and NDSL, but many of the principles are applicable to other DFAFS-disbursed programs.

The Recipient Report of Expenditures and the Cash Reconciliation Statement, Exhibits IX and X, are the reports required by DFAFS to assist it in its work with the institutions. These are strictly cash flow reports that may be issued quarterly or monthly, depending upon the dollar amount of DFAFS-funded activity in the particular

institution. Those colleges and universities that have the largest amount of DFAFS-funded dollar activity issue monthly reports; the others, quarterly.

An item-by-item consideration of Exhibit X reveals the following:

PIN - Payment identification number, assigned by DFAFS.

Payee CRS # - This is the number used to identify the institution within the DHEW Central Registry System.

Institution Control Number - This is a number assigned by the institution for the purpose of associating its subsidiary ledger for "Unexpended Program Authorization" for specific awards with the line items on the report. The accounts in the subsidiary ledger should be assigned a control number when the account is established in the ledger. The first time the particular award appears on the Recipient Report form this column will show a series of zeros. The institution should write in the institutionally assigned number. DFAFS will then pre-print the assigned number on all subsequent reports on which that particular award is active.

Exhibit IX

DFAFS-27

RECIPIENT REPORT OF EXPENDITURES
As of December 31, 1976

FISCAL OFFICER
COLLEGE OF LEARNING
ADMINISTRATION BUILDING
COLLEGETOWN, USA 38334

PIN	PAYEE CRS #
1234	1-234567890-A2

PART I – OPEN AWARDS

INSTITUTION CONTROL NO.	CRS NUMBER	DFAFS DOCUMENT NUMBER	AUTHORIZED AMOUNT	EXPENDED AMOUNT	FROE
000012345678	1-234567890-A2	01-0000222222-Y[1]	$10,000.00	$_,_,_9,000.00	F
000012345679		08-0003000395	42,009.00	_,_, 40,112.15	
		TOTALS	$52,009.00	$_,_, 49,112.15	

PART II – AWARDS WITH FINAL EXPENDITURES

INSTITUTION CONTROL NO.	CRS NUMBER	DFAFS DOCUMENT NUMBER	AUTHORIZED AMOUNT	EXPENDED AMOUNT	FROE R	FROE A
000012345684	1-234567890-A2	08-0000063180	$64,000.00	$63,604.00		
000012345698		08-0000077483	10,000.00	10,000.00	*	*
		TOTALS	$74,000.00	$73,604.00		

*FINAL ROE HAS BEEN REPORTED BY THE RECIPIENT AND THE AGENCY HAS REPORTED EXPENDITURES TO DFAFS.

[1] "y" indicates a multi-program award.
Total cumulative expenditures should be shown in "Expended Amount" Column, Part I. At the bottom of the Report, the "Authorized Amount" and the "Expended Amount" should be shown at the level specified on the award document.

DFAFS Document Number - This number is the award number appearing on the authorization letter received from CWS, SEOG, BEOG, or NDSL. It will be preprinted by DFAFS on the Recipient Report of Expenditures.

Amount Authorized - Because this report is a cash report, the dollar amount in this column does not necessarily represent the total of the allocation or award for a particular grant; it represents the amount of cash that is available to the institution under that particular grant.

In the case of "deobligation" of unused funds, DFAFS will be notified of the balance to be deobligated in each of the programs. When this notification has been processed the "amount authorized" for that specific grant will be reduced by the amount of the deobligation. When this deobligation occurs, the institution should record the following journal entry and post it to the DFAFS ledger.

Unexpended Program Authorization, DFAFS (specific grant number)
Accounts Receivable, DFAFS
(amount should be amount of deobligation) In addition, the appropriate deobligation entries should be made in the NDSL accounts. (see entry RR, p. 33)

Expended Amount - This is the column required to be completed by the institution each reporting period. The information for this item can be obtained from the debit amounts posted to the appropriate unexpended Program Authorization subsidiary account in the DFAFS ledger. For example, grant 08-0003000395 subsidiary 12345679 appears as follows on 12/31/76, the date of this report:

12345679

Unexpended Program Authorization – 08-0003000395

9/15/76 - $40,112.15 (posted individually as cash was transferred to program cash account for payments made to students)	4/20/76 - $42,009 (posted when award/ authorization letter received from OE)

Note: There will be a separate line item of each grant made by OE through DFAFS.

FROE - This column on the report, when an asterisk (*) is shown for an item, indicates that a final Report of Expenditures has been received (the "R" designates the recipient report of expenditures, the "A" represents the agency report of expenditures). In the case of the $10,000, because the "Authorized Amount" and the "Expended Amount" are the same dollar amounts, and because a final report has been received from both the recipient and the agency, this line item will probably drop off the report by 3/31/77. The report is split into Part I and Part II. Part I represents Open Awards and Part II Closed Awards. The "F" in the FROE column for the first award listed has been recorded by the recipient, to indicate that all disbursements from this award have been made. This will cause the record for this award to drop from Part I to Part II on 3/31/77 report.

CASH RECONCILIATION STATEMENT

The Cash Reconciliation Statement can be explained as follows:

Cash Accountability - This amount is internally calculated at DFAFS based upon a complete historical record of all DFAFS-funded grants at the particular institution. Essentially the calculation is:

Total amounts authorized since start of DFAFS funding at this institution	$200,302.00
Total amount authorized shown on this Report of Expenditures	126,009.00
Amount of authorized cash dropped off ROE because final report received	$74,293.00
Total of all cash advanced by DFAFS to institution	$197,749.78
Amount calculated above	74,293.00
Cash Accountability	$123,456.78

64

Less Cumulative Expenditures - This amount is taken directly from the final column of the Recipient Report of Expenditures.

Computed Cash Balance - This is the balance that *should* remain in the DFAFS cash account at the institution.

Actual Cash Balance - This is the balance that *does* exist in the DFAFS cash account (#3) at the institution. The "computed cash balance" and the "actual cash balance" will be the same if the institution's accounting records are proper and up-to-date.

Exhibit X

(SAMPLE REPORT AS COMPLETED BY RECIPIENT)

DFAFS-27A

CASH RECONCILIATION STATEMENT
As of December 31, 1976

FISCAL OFFICER
COLLEGE OF LEARNING
ADMINISTRATION BUILDING
COLLEGETOWN, USA 38334

PIN 1234

PAYEE CRS # 1-234567890-A2

CASH ACCOUNTABILITY	$123,456.78
LESS TOTAL EXPENDITURES	$122,716.15
COMPUTED CASH BALANCE	$,740.63
ACTUAL CASH BALANCE	$,740.63

UNDER PENALTY OF PERJURY, I DECLARE I HAVE EXAMINED THIS REPORT AND CERTIFY THAT THE EXPENDITURES AND ACTUAL CASH BALANCE FIGURES SHOWN HEREON ARE CORRECT TO THE BEST OF MY KNOWLEDGE AND THAT THESE EXPENDITURES AGREE WITH REPORTS SUBMITTED TO THE APPROPRIATE HEW AWARDING OFFICE AND HAVE BEEN MADE FOR THE PURPOSES OF, AND IN ACCORDANCE WITH, APPLICABLE AWARD TERMS AND CONDITIONS.

SIGNED John Doe, Treasurer DATE January 15, 1977
NAME AND POSITION

NAME AND PHONE NUMBER OF PERSON TO BE CONTACTED REGARDING THIS REPORT

NAME John Doe
(PLEASE PRINT OR TYPE)

AREA CODE AND PHONE NUMBER (202) 996-1212

RETURN ONE (1) COPY OF THIS REPORT TO: DHEW FEDERAL ASSISTANCE FINANCING BRANCH
DASP/DASF/ASC
533 WESTBARD AVENUE - ROOM 426
BETHESDA, MARYLAND 20014

The Recipient Report of Expenditures must be submitted to DFAFS on a timely basis. If the report is not submitted within 25 days after the date on the report, and after a 5-day grace period, a reminder notice will be sent by DFAFS. If the report is not submitted within 35 days of the date on the report, DFAFS will discontinue all cash advances to the institution until the report is submitted. Because the discontinuance of cash advances could seriously hinder the school's financial aid program, it is recommended that the report be submitted as requested.

As a check against the accounting in the DFAFS ledger, the total credit balances of the subsidiary Unexpended Program Authorization accounts should equal the credit balance of the control account #2, "Unexpended Program

Authorization." Also, the total of the debit balance of account #3, "Cash, DFAFS" plus the debit balance of account #1, "Accounts Receivable, DFAFS," should equal the credit balance of account #2. "Unexpended Program Authorization."

PROCEDURAL MANUAL

All institutions participating in Federally funded student financial aid programs are strongly encouraged to review their written procedures for conducting the business of requesting, receiving, controlling, disbursing, accounting for, and reporting upon the utilization of these funds. If no written procedures presently exist within the institution, they should be established as quickly as possible.

The updating or preparation of a procedural outline or manual should provide the institution with a brief description of standard operating procedures which will ensure proper, timely, and efficient execution of the duties of all institutional personnel associated with these programs. Such a manual will also prove valuable in the training of new institutional personnel in the operation and management of the programs.

Because each institution will have its own unique set of procedures and job descriptions for the personnel involved with the financial aid programs, no complete procedural manual is illustrated here. However, in the hope that it will benefit the institutions in the preparation or review of their own manual, the following rather detailed outline of a procedural manual is provided.

Procedural Manual
(an outline)

Section I. Student Financial Aid

A. Introduction
   1. The need for student financial aid
   2. A history of Federal government assistance to institutions of higher education
   3. A history of student financial aid at this institution

B. The Philosophy of Student Financial Aid at the Institution*
   1. Purpose of financial aid
   2. Types of students served
   3. General qualifications of students seeking financial assistance
   4. General description of division of responsibilities and authority

C. Types of Aid Available
   1. Federal
      a. College Work-Study Program
         1. Purpose
         2. Eligibility
         3. Determination of need after application
         4. Job classifications
         5. Student agreement and affidavit of educational purpose
         6. Supervision
         7. Maximum hours
         8. Payment procedures
      b. Basic Educational Opportunity Grants
         1. Purpose
         2. Eligibility
         3. Determination of need
         4. Student affidavit of educational purpose
         5. Amount of grant
         6. Disbursement procedures

*Following this outline is Exhibit XI which shows a Statement of Good Practices adopted by the National Association of Financial Aid Administrators. This Statement can provide useful guidelines for the establishment of the philosophy of aid at an institution.

c. Supplemental Educational Opportunity Grants
   1. Purpose
   2. Eligibility
   3. Determination of need after application
   4. Amount of grant
   5. Disbursement procedures
d. National Direct Student Loans
   1. Purpose
   2. Eligibility
   3. Determination of need after application
   4. Amount of loan
   5. Disbursement procedures
   6. Exit interview procedures

2. State
   a. Purpose
   b. Identification
   c. Eligibility
   d. Amount
   e. Disbursement procedures

3. Institutional
   a. Institutional Scholarships
      1. Purpose
      2. Identification
      3. Eligibility
      4. Amount of award
      5. Disbursement procedures
   b. Institutional Loans
      1. Purpose
      2. Identification
      3. Eligibility
      4. Amount of loan
      5. Disbursement procedures

4. Other
   a. Title (#1)
      1. Purpose
      2. Identification
      3. Eligibility
      4. Amount
      5. Disbursement procedures
   b. Title (#2)
   c. *Etc.*

Section II. Financial Aid Office Procedures

A. Purpose for the Office

B. Administrative Structure
   1. President (Chancellor)
   2. Financial Aid Committee
      a. Composition
      b. Specific responsibilities
      c. Activity supervisor
   3. Financial Aid Administrator
      a. General job description
      b. Specific responsibilities
      c. Activity supervisor

4. Assistant Financial Aid Administrator
   a. General job description
   b. Specific responsibilities
   c. Activity supervisor
5. Office Secretary
   a. General job description
   b. Specific responsibilities
   c. Activity supervisor
6. Student Assistants
   a. General job description
   b. Specific responsibilities
   c. Activity supervisor

C. Procedure for Processing, Recordkeeping, Reporting
1. College Work-Study (application-completion)
2. Basic Educational Opportunity Grants (student eligibility report-grant)
3. Supplemental Educational Opportunity Grants (application-grant)
4. National Direct Student Loans (application-loan)
5. Institutional scholarships (application-award)
6. Institutional loans (application-loan)
7. Other sources of funds

Note: Included in this portion of the manual should be information on the forms used in the office (referenced to the appendix, where the forms are illustrated, by letter of number of the form), who does what with each form (a repeat of the list of duties but in a different way) and where and how the forms are filed. Also included should be a general description of who has responsibility for completion of the various government reports.

Section III. Business Office Procedures

A Purpose for the Office
1. General
2. As related to student financial aid

B. Administrative Structure
1. President (Chancellor)
2. Financial Aid Committee
   (described here in its relation to the Business Office)
3. Treasurer (Controller)
   (job description only if related to student financial aid)
4. Business Manager
   a. General job description
   b. Specific responsibilities as related to student financial aid
   c. Activity supervisor
5. Chief Accountant (Bookkeeper)
   a. General job description
   b. Specific responsibilities as related to student financial aid
   c. Activity supervisor
6. Cashier
   a. General job description
   b. Specific responsibilities as related to student financial aid
   c. Activity supervisor
7. Other personnel (working with financial aid)
8. Student Assistants (working with financial aid)

C. Procedure for Processing, Recordkeeping, Reporting
1. College Work-Study
2. Basic Educational Opportunity Grants
3. Supplemental Educational Opportunity Grants

4. National Direct Student Loans
5. Institutional scholarships
6. Institutional loans
7. Other sources of funds

Note: (The same note applies here as is discussed at the end of the Financial Aid Office procedures.)

(The person in charge of preparing the manual may wish simply to describe the duties of all those involved in the financial aid activities of both offices as they presently exist, review these descriptions for duplication of work, remove the duplication, and then write up the job description and specific responsibilities in final format.)

Section IV A Calendar of Activities

Included at this spot in the manual should be a current school-year calendar (to be updated each year, of course) listing all of the events related to the administration of the student financial aid program. The calendar will serve as a means of planning the coming year (for example, this is the deadline date for applications, this is when we will get the aid letters to the students, these are the College Work Study payroll dates, *etc.)* and as a control over current activities (for example, *this* is when we *wanted* to have it done, *this* is when it *was* done). The calendar here might be a miniaturization of a wall calendar, duplicate copies of which are displayed in the office of the Student Financial Aid Administrator and the office of the Business Manager.

Section V. Annual Operational Evaluation

A. Student Financial Aid Office
1. Structure and Staffing
2. Application and award cycles
3. Reporting phases
4. Coordination with Business Office, Chancellor, Admissions, *etc.*
5. Other

B. Business Office
1. Structure and staffing with relationship to Financial Aid Office
2 Processing of student awards
3. Recordkeeping
4. Reporting
5. Coordination with Financial Aid Office

Section VI. Illustrated Forms (Incomplete Listing)

A. Application for Financial Aid
B. Application for Extension of Financial Aid
C. Need Assessment Forms
D. Sample Student Notification-Acceptance Letters
E. Student Mastercard
F. CWS Pay Rate Schedule
G. CWS Compensation Sheet
H. CWS "Clock" Card
I. CWS Payroll Voucher
J. Off-Campus Work-Study Agreement
K. NDSL Promissory Note
L. NDSL Summary Sheet
M. NDSL Exit Interview Check List
N. Institutional Loan Agreement
O. *Etc.*

As mentioned previously, the above forms should be keyed to a description of the flow of paperwork through the offices as discussed for each of the financial aid programs.

Exhibit XI

NASFAA

NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS
STATEMENT OF GOOD PRACTICES

The primary purpose of student aid is to provide financial resources to students who would otherwise be unable to pursue postsecondary education.

In order to accomplish this stated purpose, the following practices are recommended to all financial aid administrators.

The Financial Aid Administrator

1. Shall make every effort to meet the demonstrated needs of all students at his/her institution to the extent funding will permit in an ethical manner.

2. Shall award all aid on the basis of demonstrated financial need except where funds are specified for recognition of special talents. Where aid is not based on need and represents a significant portion of institutional assistance, the aid administrator should make every effort to redirect such funds to assist those students with demonstrated need.

3. Shall exercise adequate controls to insure that need-based aid awards do not exceed documented need.

4. Shall recognize that the primary responsibility for financing postsecondary education rests with the student and his family. Financial assistance from institutions and other sources is only intended as supplementary to the efforts of the family.

5. Shall help students seek, obtain, and make the best use of all financial resources available.

6. Shall provide in all appropriate literature a clear statement of the actual costs of attendance, which shall include both the direct and non-direct costs.

7. Shall inform the student of all conditions under which an award is granted at the time the offer is made.

8. Shall refrain from and discourage others from making any public announcement of the amount or type of financial aid awarded to a student in order to protect the confidentiality of the economic circumstances of the student and his/her family.

9. Shall respect the confidentiality of student records. Information should be released only on the written consent of the student and/or his/her family and all policies and procedures should protect the students' rights of privacy.

10. Shall oppose the administration of aid to accomplish disciplinary objectives.

11. Shall, when preparing funding requests, estimate needs honestly and fairly.

APPENDIX A

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
BUREAU OF HIGHER EDUCATION
DIVISION OF STUDENT ASSISTANCE

AGREEMENT COVERING INSTITUTIONAL PARTICIPATION IN PROGRAMS OF STUDENT FINANCIAL AID

Pursuant to and subject to the provisions of Part A-Subpart 2, Part C and Part E, of Title IV of the Higher Education Act of 1965 (P.L. 89-329), as amended, and the Regulations issued pursuant thereto

_____

Name and Location of Institution

_____

OE Vendor Number

(hereinafter referred to as the "Institution") and the Commissioner of Education, U.S. Department of Health, Education, and Welfare (hereinafter referred to as the "Commissioner") in order to provide for the conduct of each of the programs of student financial aid identified in Article I hereof (hereinafter referred to as the "Programs") hereby agree to the terms of Articles I, II, and VII, and so much of the remaining Articles of this Agreement as are applicable to each program identified in Article I hereof.

ARTICLE I. SCOPE OF COVERAGE

This Agreement covers the Institution's participation in each of the following checked programs:

[ ] SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS PROGRAM (SEOGP)
Part A, Subpart 2, Title IV of the Higher Education Act of 1965

[ ] COLLEGE WORK-STUDY PROGRAM (CWSP)
Part C, Title IV of the Higher Education Act of 1965

[ ] NATIONAL DIRECT STUDENT LOAN PROGRAM (NDSLP)*
Part E, Title IV of the Higher Education Act of 1965

This Agreement becomes effective on the date executed by the Commissioner except that if this Agreement covers the participation of an Institution in any of the above programs in Fiscal Year 1974 the effective date of the Agreement shall be July 1, 1973.

ARTICLE II. GENERAL PROVISIONS APPLICABLE TO ALL PROGRAMS

1. The Institution shall use funds advanced to it from time to time pursuant to applications submitted under this Agreement with respect to such programs for making deposits into its National Direct Student Loan Fund, for making payments to students who have received Supplemental Educational Opportunity Grants, or for compensating students who are employed under the Institution's College Work-Study Program. An amount not in excess of 3% per year of:

(a) The Institution's expenditures from its allocation of Federal funds for such year for Supplemental Educational Opportunity Grants,

*The National Direct Student Loan Program is deemed to be a continuation of the National Defense Student Loan Program authorized by Title II of the National Defense Education Act of 1958, as amended.

(b) its total expenditures for such year for compensation (including the non-Federal share of such compensation) of students under its College Work-Study Program,

(c) the principal amount of loans made from its National Direct Student Loan Fund during such year

may, in the case of the College Work-Study and Supplemental Educational Opportunity Grants Programs, be withdrawn from their respective allocations or, in the case of the National Direct Student Loan Program, from its Fund, by the Institution as a payment in lieu of reimbursement for administrative expenses: *provided, however,* that the total of amounts so withdrawn for a particular fiscal year may not exceed $125,000.

2. The Institution shall: (a) maintain adequate records reflecting the transactions under each of the Programs, including withdrawals for administrative expenses, which records shall include sufficient information to indicate the basis of approval or disapproval of each student application for assistance; (b) retain such records for such periods of time as may be prescribed by the Commissioner; (c) submit an "Institutional Fiscal-Operations Report" and such other reports and information as the Commissioner may reasonably require in connection with the administration of the Programs; and (d) comply with such procedures as the Commissioner may find necessary to insure the accuracy of such records and reports. An Institution may not expend funds under this Agreement subsequent to the cutoff date for the filing of the "Institutional Fiscal-Operations Report" covering the operation of the program(s) for the preceding fiscal year if the Institution has not submitted that Report prior to such cutoff date. An Institution which has failed to file its "Institutional Fiscal-Operations Report" prior to such cutoff date may continue to expend such funds only at such time as it does file such Report with the Commissioner or when the Commissioner expressly authorizes such expenditures.

3. The Institution shall use systematic methods for determining the financial need of applicants under the Programs, as indicated in Schedule A. Systems other than the American College Testing Program Financial Need Analysis, College Scholarship Services, or the Income Tax System are subject to the approval of the Commissioner.

4. The Institution shall establish procedures for making loans from the Fund, Supplemental Educational Opportunity Grants and employment under the College Work-Study Program (or equivalent employment offered or arranged for by the Institution) reasonably available (to the extent of available funds) to all students eligible for each particular type of assistance. The Institution shall make every effort to coordinate such of the Programs for which it has received an allocation of funds and its other financial aid programs.

5. To be eligible for assistance under any of the Programs a student must, among other things, (a) have been accepted for enrollment as at least a half-time student or, in the case of a student already attending the Institution, be in good standing as at least a half-time student, (b) be capable in the opinion of the Institution of maintaining good standing, and (c) be in need of such assistance to pursue his course of study. A student awarded a Supplemental Educational Opportunity Grant or employed under the College Work-Study Program must show evidence of academic or creative promise.

6. In addition, in order to be eligible for any assistance provided hereunder, the student must: (a) be a citizen or national of the United States, or in the United States for other than a temporary purpose and intend to become a permanent resident thereof, or a permanent resident of the Trust Territory of the Pacific Islands, (b) have filed with the Institution an affidavit stating that such assistance will be used solely for expenses related to attendance or continued attendance at such Institution, and (c) meet the particular program requirements regarding level of study, as set forth below.

7. The assistance made available pursuant to this Agreement is subject to the Regulations in 45 CFR, Part 80, issued by the Secretary of the Department of Health, Education, and Welfare and approved by the President to effectuate the provision of Section 601 of the Civil Rights Act of 1964, and Title IX of the Education Amendments of 1972 (Prohibition of Sex Discrimination) (P.L. 92-318).

8. A proprietary Institution of higher education shall meet such terms and conditions as the Commissioner determines to be necessary to insure that the availability of assistance under the Programs to students has not, and will not, increase the tuition, fees or other charges of the Institution.

ARTICLE III. MAINTENANCE OF EFFORT

1. For each fiscal year for which it receives an allocation of funds under either the College Work-Study Program or the Supplemental Educational Opportunity Grants Program, or both, the Institution shall continue to expend, in its other student aid programs from sources other than funds received under this Agreement, an amount which is not less than the average expenditure per year made for that purpose during the three fiscal years preceding (a) the effective date of any "Agreement Covering Institutional Participation in Programs of Student Financial Aid" entered into by the Commissioner and the Institution which was in effect on June 30, 1973, (b) the fiscal year for which the Institution receives or received its first allocation of funds under the College Work-Study Program, (c) the fiscal year for which the Institution received its first allocation of funds under the Educational Opportunity Grants Program (20 U.S.C. 1061-1067, 1069), or (d) the fiscal year for which the Institution receives or received its first allocation of funds under the Supplemental Educational Opportunity Grants Program if the Institution had not participated in the Educational Opportunity Grants Program in the fiscal year immediately preceding that fiscal year, whichever is the latest.

2. The Commissioner may waive the requirement set forth in paragraph 1. of this Article in accordance with such special and unusual circumstances as have been provided for by regulation.

ARTICLE IV. SPECIAL TERMS APPLICABLE TO THE SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS PROGRAM

1. The Institution shall make grants available only to those undergraduate students who meet the eligibility criteria stated in paragraphs 5 and 6 of Article II and who are of exceptional financial need. The Institution, in determining whether a student is of exceptional financial need, shall (a) consider the source of such student's income and that of any individual or individuals upon whom he relies primarily for support, and (b) make appropriate review of the assets of the student and any such individuals. Furthermore, the Institution shall make a determination that, but for a Supplemental Educational Opportunity Grant, such student would not be financially able to pursue his course of study at the Institution.

2. The amount of the Grant and its duration shall be determined and payments thereunder shall be made in accordance with such policies and procedures as the Commissioner may prescribe by regulation.

3. The Institution shall make vigorous efforts to identify youths of exceptional financial need and encourage them to continue their education beyond secondary school through such methods as:

(a) Establishing strengthening close working relationships with other institutions of higher education, secondary school principals, and guidance and counseling personnel with a view toward motivating students to complete secondary school and pursue postsecondary education opportunities; and

(b) making, to the extent feasible, conditional commitments for Supplemental Educational Opportunity Grants to secondary school students with special emphasis on students enrolled in grade 11 or lower who show evidence of academic or creative promise.

ARTICLE V. SPECIAL TERMS APPLICABLE TO THE COLLEGE WORK-STUDY PROGRAM

1. The Institution will conduct a program of part-time employment of eligible students in work for the Institution itself, except in the case of a proprietary Institution of higher education, or work in the public interest for a public or private non-profit organization other than the Institution, under a written arrangement between the Institution and such organization.

2. Any such work:

(a) Must not result in the displacement of employed workers or impair existing contracts for services;

(b) must be governed by such conditions of employment as will be appropriate and reasonable in light of such factors as type of work performed, geographical region, and proficiency of the employee;

(c) must not involve the construction, operation, or maintenance of so much of any facility as is used or is to be used for sectarian instruction or as a place for religious workship; and

(d) must not involve any partisan or nonpartisan political activity associated with a candidate, or contending faction or group, in an election for public or party office.

3. The Institution shall be responsible for insuring that any public or private nonprofit organization with which it enters into an arrangement is a reliable organization with professional direction and staff, and that the work to be performed by the student is in the public interest, properly supervised, and consistent with the purpose of the Program. In no event shall work be considered to be in the public interest where (a) it is work for which the political support or affiliation of the student is a prerequisite or consideration for employment, (b) it is work to be performed for an elected official other than as part of the regular administration of Federal, State, or local government, or (c) it is work which is primarily for the benefit of members of a limited membership organization (such as a credit union, religious or fraternal order, or a cooperative) rather than the public.

4. In making employment available under the College Work-Study Program, the Institution shall give preference to students with the greatest financial need, taking into account grant assistance provided such students from any public or private sources, and shall make such employment available only to (a) students who meet the eligibility requirements stated in Article II, paragraphs 5 and 6 and (b) students who (i) are undergraduate, graduate or professional students, or (ii) in cases where the Institution is an area vocational school, have a certificate of graduation from a secondary school or the recognized equivalent thereof and are pursuing a program of education and training which requires at least six months to complete and is designed to prepare them for gainful employment in a recognized occupation.

5. The Federal share of the compensation of students employed in a College Work-Study Program covered by this Agreement shall not exceed 80 percent of such compensation for part-time employment, except in unusual cases as may be approved by the Commissioner pursuant to program regulations.

ARTICLE VI. SPECIAL TERMS APPLICABLE TO NATIONAL DIRECT STUDENT LOAN PROGRAM

1. The Institution shall establish and maintain a National Direct Student Loan Fund for the purpose of making loans to eligible students. Any student loan fund established under an agreement pursuant to Section 204 of Title II of the National Defense Education Act of 1958, as amended, shall be deemed to have been established under Section 463 of Title IV-E of the Higher Education Act of 1965, as amended, and any assets of such student loan fund shall be deemed to be the assets of the student loan fund established under this Agreement. There shall be deposited promptly in such Fund:

(a) Federal Capital Contributions received by the Institution pursuant to Section 462 of the Act;

(b) an amount, equal to not less than one-ninth of such Federal contributions, to be provided by the Institution;

(c) collections of principal and interest on student loans made from the Fund;

(d) penalty charges collected pursuant to Section 205(c) of Title II, NDEA and Section 464(c)(1)(G) of Title IV-E, Higher Education Act;

(e) payments made to the Institution pursuant to Section 465(b) of Title IV-E, HEA for reimbursement of loans cancelled for each fiscal year pursuant to Section 465(a) of the Act; and

(f) any other earnings of the Fund.

2. The Fund shall be used only for loans to students in accordance with this Agreement; for capital distributions as provided in Section 466 of Title IV-E, HEA; for withdrawals pursuant to Article II, paragraph 1, of this Agreement; and for costs of litigation, and other collection costs as agreed to by the Commissioner arising in connection with the collection of any loan from the Fund or interest thereon, or any penalty charges assessed pursuant to Section 205(c) of Title II, NDEA or Section 464(c)(1)(G) of Title IV-E, HEA (plus interest and any penalty charges assessed thereon pursuant to Section 464(c)(1)(G) of the Act).

3. Where a note or written agreement evidencing a loan has been in default for at least two years despite due diligence on the part of the Institution in making collection thereon, the Institution may assign its rights under such note or agreement to the United States without recompense, and in that event any sums collected on such loan shall be deposited in the General Fund of the Treasury.

4. The Fund shall be deposited and carried in a special account of the Institution.

5. No payments shall be made from the Fund to any student unless the Institution has complied with the Truth in Lending requirements of Regulation Z (12 CFR 226).

6. The Institution shall accept responsibility for and use due diligence in effecting the collection of the principal and interest due and payable on loans made from the Fund.

7. The Institution shall make loans under this Program available only to undergraduate, graduate or professional students who meet the eligibility requirements stated in Article II, paragraphs 5 and 6.

ARTICLE VII. TERMINATION AND SUSPENSION OF AGREEMENT

Extension and Termination

1. This Agreement shall expire at the end of the fiscal year in which it becomes effective unless an extension of the Agreement is entered into by the Institution and the Commissioner. Prior to the cutoff date for the filing of applications for funds for any fiscal year under the Supplemental Educational Opportunity Grants, College Work-Study or National Direct Student Loan Programs, the Institution may apply to extend this Agreement by submitting a completed "Extension of Agreement" form to the Commissioner. The Commissioner's approval of such an extension with respect to each program will be indicated by his allocation of funds to the Institution for that program for the fiscal year covered by the "Extension of Agreement."

2. Should the Institution wish to terminate this Agreement, it agrees to provide the Commissioner with 90 days written notice of its intention to do so.

3. If the Commissioner finds that any of the assurances or representations made in connection with this Agreement or any application for funds hereunder to be incomplete or incorrect in any material respect or that there has been a failure to comply with any of the provisions of the Agreement, he may, after notice of and an opportunity afforded for a hearing, terminate the Agreement or take such other actions as may be necessary and appropriate to protect the interests of the United States.

4. The termination of this Agreement shall not affect obligations previously incurred by either party under this Agreement. The Commissioner will, in the event of termination, advise the Institution as to what procedures are to be employed in ending the Institution's operations hereunder.

For the Commissioner	For the Institution
Date	Title*
	Date

*An officer legally authorized to execute this Agreement for and on behalf of the Institution.

This Agreement covers participation of

Name and Location of Institution

in each of the following checked programs:

[ ] Supplemental Educational Opportunity Grants Program (20 U.S.C. 1070b *et seq*)

[ ] College Work-Study Program (42 U.S.C. 2751 *et seq*)

[ ] National Direct Student Loan Program (20 U.S.C. 1087aa *et seq*)

Schedule A

The following method(s) of student financial need assessment will be in use during the period covered by this Agreement. Check the appropriate box(es).

[ ] American College Testing Program - Financial Need Analysis

[ ] College Scholarship Service

[ ] Income Tax System as defined in 45 CFR 176.14(a)(2)

[ ] Other (If this entry is checked, please attach two copies of the proposed method of need assessment, which is subject to the approval of the Commissioner under conditions set out in the program regulations.)

ADDENDUM #1 TO THE AGREEMENT

(This paragraph replaces Article II, paragraph 3 on page 3 of the Agreement)

3. In order to comply with regulations on the determination of a student's need (copy attached), the Institution shall utilize a need analysis system or method of calculation approved by the Commissioner as indicated in Schedule A. Regulations provide for an annual review of all systems except the Income Tax System and the Basic Educational Opportunity Grant Program method of calculating an expected family contribution. A list of approved systems will be published before September 1 each year.

To date, the need analysis systems approved by the Commissioner pursuant to that regulation for use in making awards to students for the 1976-77 Award Period are as follows:

1. Income Tax (*Dependent student only*)
2. Basic Educational Opportunity Grant (BEOG)
3. College Scholarship Service (Uniform Methodology)
4. American College Testing (Uniform Methodology)
5. Graduate and Professional Student Financial Analysis Service (GAPSFAS)
6. Student Assistance Financial Evaluation (SAFE)
7. Student Aid Management (SAM)
8. Financial Analysis Services (FAS)

If the Institution wishes to use a need analysis system not included in the above approved list, attach two copies of the proposed method of need assessment, which is subject to the approval of the Commissioner under conditions set forth in the program regulations.

APPENDIX B

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
BUREAU OF POSTSECONDARY EDUCATION
WASHINGTON, D.C. 20202

TERMS OF AGREEMENT

(Agreement Covering the Computation and Disbursement
of Basic Educational Opportunity Grants)
July 1973

Whereas, the students of _____
(Name of Institution)
_____, hereinafter referred to as the "Institution", are potentially
(Location of Institution)
eligible to receive grant awards under the program of Basic Educational Opportunity Grants administered by the U.S. Commissioner of Education, hereinafter referred to as the "Commissioner," pursuant to Part A, Subpart 1 of Title IV of the Higher Education Act of 1965, as amended (20 U.S.C. 1070a) and the regulations issued pursuant thereto (45 CFR Part 190 *et seq.*); and

Whereas, a finding of the eligibility of such students to receive awards, the computation of the amount of such awards, and the disbursement of funds to its students can best be accomplished by the Institution;

Now, therefore, in order to facilitate the conduct of the Basic Educational Opportunity Grants Program with respect to its students the Institution agrees to the following undertakings:

I. **General Undertakings**

1. The Institution shall make eligibility determinations, computations of awards, and disbursements from sums provided for that purpose by the Commissioner, at such times and in such manner as the Commissioner shall from time to time prescribe. An award shall be paid to a student only if the Institution determines in accordance with the regulations and instructions issued for that purpose that (i) such student is an "eligible student" and (ii) the amount to be paid has been determined in accordance with the applicable payment schedule and other instructions as are issued by the Commissioner. The payment schedule will reflect the amount of an award to be made with respect to a student on the basis of (i) a dollar amount representing such student's "expected family contribution" (student eligibility index) and (ii) the student's cost of attendance at the Institution. The amount of a student's award will then be adjusted by the Institution on the basis of (i) the portion of the academic year for which the student is enrolled and (ii) the full-time or the part-time nature of his enrollment. The figure representing the student's "expected family contribution" (student eligibility index) is supplied by the Commissioner (Student Eligibility Report) to each student applicant who in turn submits it to the Institution. The figure representing the student's cost of attendance at the Institution is to be computed by the Institution in accordance with the regulations issued by the Commissioner (45 CFR 190.51). The full-time or part-time nature of a student's enrollment and the portion of the academic year for which he is enrolled will also be determined by the Institution in accordance with regulations issued by the Commissioner.

2. The Institution agrees that it will use all funds made available to it by the Commissioner pursuant to this Agreement only for making payments of Basic Educational Opportunity Grants as provided for in this Agreement. In the event that an overpayment is made to a student the Institution will cooperate fully with the Commissioner, making every reasonable effort to effect the return of such overpayment. The Institution does not, however, assume liability for any overpayments which are not so recovered unless such overpayment was made by the Institution under circumstances where the regulations or instructions of the Commissioner clearly indicate that such payment should not have been made. In making a finding that a student is an "eligible student," the Institution is entitled to rely on information provided by the student.

II. **Specific Undertakings**

In addition to the foregoing undertakings, and in no way in limitation thereof, the Institution further agrees as follows:

1. All funds received and disbursed under this agreement shall be handled through an account which may be an existing account (preferably one maintained for Federal funds) provided adequate control ledgers are maintained to properly account for such funds separately from other funds.

2. The Institution shall maintain adequate records, for such period of time as prescribed by the Commissioner, with regard to (i) the eligibility, or lack thereof, of all students enrolled in the Institution who have applied to the Institution for payments of a Basic Educational Opportunity Grant; (ii) the amount of such grants as have been awarded and to whom; (iii) the amount and date of disbursement of such grants to such students; and (iv) the amount and date of any overpayments of awards that have been restored to the program account. Such records shall include the "Student Eligibility Report" for each student, the student's cost of attendance at the Institution, and the basis on which his full-time or part-time enrollment status and the portion of the academic year for which the student was enrolled was determined.

3. The Institution will at all reasonable times make available for inspection by authorized representatives of the Commissioner, at the offices of the Institution, all books, records, documents, and other evidence bearing on the receipt and expenditure of such funds as have been made available to the Institution pursuant to this Agreement. Such right of inspection will extend for a period of five (5) years from the date of submission of a final report covering any such funds, unless the Commissioner provides otherwise by regulation.

4. The Institution shall submit such reports and information as the Commissioner may reasonably require in connection with the foregoing undertakings of the Institution and the accounting for the payment of Federal funds.

5. The Institution shall reduce to writing its policy for making refunds of amounts paid on account of tuition, fees, room, and board to students who withdraw or fail to pursue their course of study. A copy of such policy shall be made available to the Commissioner upon request. The Institution agrees that if a refund is made to a student pursuant to the policy of the Institution, the amount of such refund as is reasonably attributable to the payment of a Basic Educational Opportunity Grant in the light of the total of the amount paid to the Institution by the student for tuition, fees, room, and board, shall be treated as an overpayment and restored to the program account.

6. The Institution (if a proprietary Institution of higher education as defined in §491 of the Higher Education Act of 1965 20 U.S.C. 1088) shall comply with such terms and conditions as the Commissioner determines to be necessary to insure that the availability of assistance under this program to students has not, and will not, increase the tuition, fees or other charges of the Institution.

III. **Effect of Agreement**

1. This Agreement shall be in effect with respect to all funds advanced to the Institution for disbursement under the Basic Educational Opportunity Grant Program.

2. The Institution understands and agrees that funds shall continue to be advanced to the Institution pursuant to this Agreement and the Institution shall continue to carry out its undertakings pursuant to this Agreement for so long as the Institution and the Commissioner mutually agree to do so.

3. The Institution agrees that reasonable notice shall be given to the Commissioner if it no longer is willing or able to carry out the terms hereof, and the Institution is advised that similar notice will be given to the Institution in the event the Commissioner selects some other means for making Basic Educational Opportunity Grants available to students attending the Institution.

_____
DATE

_____
(Institutional Authorizing Officer)

_____
(Name and Title)

This Agreement covers the following branch campuses of the Institution

Name and Address	OE Vendor Number
1.	
2.	
3.	
4.	
5.	
6.	

IRS No.
(Internal Revenue Service Number)

APPENDIX C

Excerpts From HEW Audit Guide

The HEW Audit Guide was designed to familiarize independent auditors and accountants with the significant accounting and recordkeeping provisions of the CWS, NDSL and SEOG programs. Excerpts from the Audit Guide are included in this *Manual* in an attempt to give institutional representatives working with the programs discussed in the *manual* an opportunity to become aware of the guidelines to be used by the auditors of these programs. Unless otherwise indicated, all of the following material has been excerpted *verbatim* from the Audit Guide dated May, 1976.

A. Audit Objectives

The objectives of the audit are to determine whether:

1. The institution has established procedures for coordinating assistance provided under all Federal student aid programs in which it participates.

2. The institution has established systems of internal control, accounting, and reporting, and has exercised proper controls in the operation of and accounting for the funds provided for the programs.

3. The institution has established and has followed policies and procedures to ensure that the funds provided are being used only for the purposes set forth in the institution's agreement with the Commissioner of Education and that the policies and procedures conform with applicable HEW directives.

4. The institution has established a control and self evaluation system intended to monitor and evaluate the programs to determine if its objectives are met.

B. Internal Controls

CWS Review the system of internal controls applicable to the CWS program to determine whether the policies and procedures established by the institution are written, and provide for appropriate segregation of responsibilities and controls that are reasonable in the circumstances over:

1. the receipt and disbursement of cash,
2. the payment of wages,
3. the payment of administrative expenses,
4. the recording of transactions to the general ledger control accounts,
5. the operations of the off-campus agencies e.g., preparation of time sheets, payroll records, signature authorization cards.

NDSL Review the system of internal controls applicable to the NDSL program to determine whether the policies and procedures established by the institution are written, and provided for appropriate segregation of responsibilities and controls that are reasonable in the circumstances over:

1. the receipt and disbursement of cash,
2. the granting of loans,
3. the payment of administrative expenses,
4. the collection of loan principal and interest,
5. the payment of litigation costs,
6. the cancellation of loans–partial or complete,
7. the capital contributions–Federal and institutional,
8. the recording of transactions to asset, capital, revenue, and expense accounts.

SEOG Review the system of internal controls applicable to the SEOG program to determine whether the policies and procedures established by the institution are written, and provide for appropriate segregation of responsibilities and controls that are adequate in the circumstances over:

1. the funding of the SEOG program,
2. the payment of SEOG awards–initial year and continuing year,
3. the recording of transactions to the general ledger control accounts.

C. **Compliance - Coordination of Federally Assisted Student Aid Programs**

Determine that the institution has controls to preclude the awarding of assistance in excess of a student's financial needs:

1. Determine whether the institution has established procedures for coordinating assistance provided under all Federal student aid programs which require a showing of financial need with any assistance provided under the Basic Educational Opportunity Grants program, the Guaranteed Student Loan program, and other school-administered aid programs.

2. Determine whether the students have received an amount in excess of their financial needs by examining the documentation relating to financial need on a representative sample of students participating in the student aid program.

In view of the difficulty of precise need determination, OE does not consider awards of up to $100 in excess of a student's predetermined financial need amount as being unreasonable. Consequently, OE would not require any financial adjustments when the financial aid received by a student under these programs exceeded his financial need by less than $100.

D. **Compliance - Self Evaluation System**

1. Determine if the institution has established a self-evaluation system to monitor and evaluate the programs to ensure that their objectives are met.

2. Determine the frequency of the self-evaluation reviews.

3. Determine if the answers to the questions are complete. For those areas covered in the scope of the audit, determine that they are consistent with the results obtained during the review.

4. Determine if corrective action was taken on problem areas noted during the self-evaluation review.

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